

COMPANY REGISTRATION NUMBER: SC412275  
CHARITY REGISTRATION NUMBER: SC044953

**Forres Area Community Trust**  
**Company Limited**  
**by Guarantee**  
**Unaudited Financial**  
**Statements**  
**31 March 2022**

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

**Forres Area Community Trust**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 31 March 2022**

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# Forres Area Community Trust

## Company Limited by Guarantee

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

Year ended 31 March 2022

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 2022.

#### 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

Peter Airey	
Jim Farquharson	
Tina Coffey	
Ms L Creswell	
Bea Jefferson	
Sandra MacLennan	
Laurie Piper	(Retired 24 August 2022)
Tom Duff	(Retired 21 June 2021)
Lesley Edwards	(Retired 1 January 2022)
Joanna Taylor	
Kevin Skivington	
Susan Longmuir	(Appointed 26 November 2021) (Served from 26 November 2021 to 14 February 2022)
Charles Perry	

Independent examiner	RITSONS Chartered Accountants 103 HIGH STREET FORRES MORAY IV36 1AA
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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 2022

#### Structure, governance and management

##### Governing document

Forres Area Community Trust ("FACT") 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.

At the AGM of 26 November 2021, a new set of Articles of Association was adopted by FACT members, based on the model articles supplied by the Development Trust Association of Scotland. There were a number of changes including allowing general meetings to be held online, referring to the Board and not Directors, simplifying the power of the company by bringing them in line with best practice and simplifying the process whereby members re-register their interest in being members. The changes allow for an easier process of informing members by email. The Articles have been simplified and the rules made clearer. In the Articles the Forres Area is defined by the catchment area of Forres Academy; this is unchanged. An appendix gives the postcodes within that area. The town has grown and a new set of postcodes is appended, updated with help from Moray Council.

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 - There are three categories of members, as follows:

1. Ordinary Members for persons aged 16 or over who live in the Forres Academy catchment area; Ordinary Members elect people to serve as Directors in accordance with the Articles of Association,
2. Associate Members for adults who live out with the Forres Academy catchment area and for organisations that support the aims of the company wherever their place of business.
3. Junior Members for those aged between 12 and 15.

Directors - The directors of the company are also charity trustees for the purposes of the charity law and are known as Board members. They are responsible for the strategy and supervision of the activities of the company; and the manner in which it fulfils its objects.

Staff - the thirteen members of staff, recruited locally, carry out the day-to-day activities of the company under the management of the Lead Development Officer, who in turn is managed by the Chair on behalf of the Board.

The company has a Board of Directors of up to fifteen members who are responsible for its strategic direction and decision making.

- Up to twelve of the Directors are elected by the Ordinary Members and drawn from the membership of the company (Member Directors).
- A maximum of three are Directors appointed by the Directors (Co-opted Directors), who need not be members.
- There is a minimum number of seven directors. The majority of Directors need to be Member Directors.

The Member Directors are appointed at a General Meeting of the company for a period of 3 years, one third retiring at each Annual General Meeting. Co-opted Directors are appointed for a year. At the end of the period of their appointment Directors are eligible to be re-elected or re-co-opted.

All Directors give their time voluntarily and received no benefits, financial or other, from the charity.

# Forres Area Community Trust

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

At present, the Board has nine members, from a variety of professional backgrounds, who meet monthly.

#### **Changes in Directors**

Lorna Creswell, Peter Airey and Tina Coffey stepped down by rotation and were reappointed at the AGM on 26 November 2021.

Susan Longmuir and Charles Perry were appointed as new Directors at the AGM on 26 November 2021.

Lesley Edwards unfortunately passed away on 1 January 2022, Charles Perry resigned on 14 February 2022 and Laurie Piper resigned on 24 August 2022.

The Directors and staff seek to ensure that the needs of the organisation and local community are appropriately reflected through a diverse Board membership. 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 required, appropriate individuals are then approached to be co-opted or elected to the Board. Members of the Board also undertake training to enhance their skills.

#### **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 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**

Trustees must always act in the interests of their charity and not for private benefit. Charities preparing accruals(SORP) accounts must disclose:

- trustees' remuneration and benefits
- trustees' expenses
- transactions with those persons and entities that are closely connected to the charity or its trustees, referred to as related parties.

The Board has put in place a process whereby Directors disclose entities with which they are closely involved to assist in the identification of possible conflicts of interest and related party transactions to ensure these are addressed appropriately.

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.

# Forres Area Community Trust

## Company Limited by Guarantee

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

Year ended 31 March 2022

Heritage Trust Network, Moray Federation of Community Halls and Associations, the Online Centre Network and SURF - Scotland's Regeneration Network. Membership of these organisations 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. We have signed up to the Voluntary Code of Practice for Social Enterprise in Scotland.

#### **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 and thereby reduce the risks the charity faces. The significant dependence on external funding has led to the development of a strategic plan which includes the diversification of funding and the development of activities that create other sources of income. Risks are reduced by the implementation of internal controls that include prior authorisation of all projects and transactions. Procedures are in place to reduce risk to 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.

#### **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.

#### **The Strategic Objectives are that FACT:**

- operates to a high standard, with governance and operational processes that are in line with best practice
- continues to deliver high quality outcomes on all projects
- operates with due regard to financial and environmental sustainability, in ways that are consistent with its objectives and charitable status
- develops the Town Hall to the benefit of the community
- facilitates the community's ability to benefit from the "digital age"
- works, with partners as appropriate, to bring economic prosperity and sustainable rural regeneration to the area
- engages with the whole community in an inclusive way to facilitate their opportunities for improving wellbeing.

These Strategic Objectives were set in 2020-21 by the Board, in line with the Growth Plan that was developed in 2013.

The FACT Board and Staff carried out a review of the strategic objectives and project plans on 28 February 2022, together with a visioning exercise for ten years hence, and agreed that the seven

# Forres Area Community Trust

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

objectives (listed above) should remain unchanged. Projects, both active and proposed, were discussed and assessed according to availability of resources and likelihood of success.

# Forres Area Community Trust

## Company Limited by Guarantee

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

Year ended 31 March 2022

#### Achievements and performance

FACT celebrated its ten-year anniversary at our AGM on 26 November 2021, with FACT members, Board members and staff, volunteers and guests sharing a birthday cake, drinks and cupcakes, a raffle and enjoying a presentation created by the Volunteer Coordinator, covering the charity's achievements to date.

#### COVID response

The effects of the coronavirus pandemic were reducing in early 2021 and the Scottish Government set out the next steps out of lockdown and back towards a way of life much closer to normality on 16 March 2021, just before this financial year began.

FACT's activities in the year to March 2022 were still affected by COVID 19, with online provision of services still in operation for several months.

At the start of the financial year, with the Town Hall closed due to covid, all our activities were online, and as restrictions eased we offered services and activities both online and in person, with some being a hybrid.

#### Volunteers

FACT is very grateful for all the invaluable and myriad contributions that volunteers make in supporting our activities. A Volunteer Thank You Tea was held on 25th March 2022 to celebrate the successes of the Volunteers at FACT and throughout the Forres Area over the last 2 years, through the covid pandemic.

Since the Volunteer and Community Engagement Coordinator role was created in July 2021, 28 new Volunteers have signed up. We secured £30,000 until March 2024 towards the staff costs for the Co-ordinator from the Volunteer Support Fund via Impact Funding Partners.

A team of FACT Volunteers worked on a long-term project of updating the Forres Directory. This project is being widened to include activities and support available for all residents rather than focusing on over 50s. We have been working in conjunction with Forres Groups Action and the Forres Library who have also been updating their contact lists.

#### The Cameron Project

This project aims to reduce social isolation and loneliness in the local community. The project offers a befriending service, events and a wide variety of activities aimed at all walks of society, and is named after local postman William Cameron who left the majority of his wealth to residents of a local old people's home where he spent his final years. FACT is delighted to receive support from the Auchernack Trust for this work.

Befriending was via telephone for the beginning of the financial year, with thirteen people supported in this way, and through the year more and more of these meetings took place in person.

Funding from The Communities Recovery Fund enabled us to deliver activity sessions via the online platform "Zoom" in Spring 2021 in drumming exercise, in collaboration with Active Minds Moray. We also ran online knitting, crocheting, musical bingo, wreath making, mandala and diamond art and papercraft sessions, all with experienced tutors. All the equipment and materials were delivered by volunteers. The running of the courses was a real team effort, with Forres Online helping participants with getting connected, technical issues and with the Town Hall zoom presentation.

The benefits of these sessions has been widespread - enabling learning of new skills, forming of new friendships, increases in mobility and greater familiarity with the use of new technology.



# Forres Area Community Trust

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

These activities moved to the Town Hall in person in late Summer 2021, with some people still attending online.

#### Forres Online Digital Inclusion Projects

FACT secured funding through the Beatrice Fund, Peoples Postcode Lottery Fund and the Strengthening Communities Recovery Fund to provide activities and resources to address social isolation and increase connectivity (both digitally and socially) across the Forres area. This has also helped to improve the quality of life and resilience of the community and improve the skills of volunteers through training and engagement.

The programme included free drop-in sessions, outreach sessions, evening classes, talks and community events and activities. Drop in Sessions restarted twice weekly from June 2021. These face to face sessions were by appointment and held in the newly refurbished North Room of the Town Hall.

There was a total of 604 online enquiries logged or assistance given over this financial year. Outreach Visit - in Autumn 2021 Forres Online held a Mobile Drop in Event at the Village Centre in Findhorn, the first outreach visit since February 2021. We aim to schedule a number of these outreach sessions in 2022 covering Dyke, Rafford, Findhorn and Kinloss.

#### Employability Support

We are now working in partnership with Moray Pathways and their new digital hub in Elgin, with a view to improving employability options in the local area.

Weekly Digital Skills Sessions for long term unemployed were reinstated with a core of regular attendees. We have been covering different topics each week to help them with their IT skills and employability, aiming to create a workbook of tasks for them to complete to give us and them a measure of their progression.

#### Forres Town Hall Operations

Forres Town Hall reopened to the public in July 2021, with groups coming back after the summer, at the beginning of September 2021. We reviewed risk assessments for all building users and held a Town Hall User Groups meeting in person, to help reconnect users after such a long absence from the building.

Acoustic Panels were installed in the Lesser Hall in August 2021, which have improved the acoustics and will benefit all users.

The website now incorporates an availability calendar for Town Hall Space Bookings.

The Wee Gallery has reopened in the side hallway, for display of local art and photography exhibitions.

Town Hall bookings are increasing steadily. There are bookings from external groups every day of the week, combined with FACT events, which means that the Town Hall is running at close to full capacity some days every week. The events are quite widespread from the coffee mornings, community lunches and workshops, to craft activities and committee meetings for local groups.

Coffee Mornings - most Saturdays between 10am and 12 midday these are held in Forres Town Hall, and a local charity or organisation run them to raise money for their good causes.

When the Town Hall first re-opened after covid, we were seeing 23 groups booking rooms, of which 12 were repeat bookings, and by the end of the financial year, we were seeing about 50 bookings of rooms per month, with 40 of those repeat bookings.

We answer enquiries in person and by telephone and email. At the start of the year enquiries were

# Forres Area Community Trust

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

averaging about 30 per month and as we ended the year, we were averaging over 90 per month, roughly half in person, half via telephone and email.

Hotdesking is now offered in the Town Hall upstairs rooms.

#### Forres Town Hall Regeneration

Plans for the redevelopment of the building have progressed, with LDN Architects as the designers for the project. In Summer 2021 a comprehensive Mechanical and Electrical Survey was carried out by Pick Everard providing possible energy solutions for the regenerated Town Hall.

By August 2021 we had secured all the funds needed to complete the design costs and details to enable us to take the project to building warrant stage. The funding has come from HIE, the Architectural Heritage Fund, Scottish Land Fund and FACT reserves.

#### Other Community Support and Engagement

We were successful in securing £6,068 from the Steps to Sustainability programme. This money will be used to help us develop our business plan, engage a funding consultant and pay for two days with Evaluation Support Scotland.

In February 2022 FACT hosted two of a series of five workshops facilitated by tsiMoray and in collaboration with Transition Town Forres, exploring the vision of a carbon neutral Moray.

# Forres Area Community Trust

## Company Limited by Guarantee

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

Year ended 31 March 2022

#### Financial review

During the year the Charity secured funding from a selection of funders to support its core activities. Details of those activities are set out in the Achievements and Performances section of this report.

A full list of sources of this income are shown in Note 5 to the Financial Statements. The total income for the period was £381,999. The total expenditure for the period was £242,729. The unrestricted balance in reserves at the end of the period was £152,252.

FACT is required to account for income and expenditure in line with the Statement of Recommended Practice for Charities (SORP). As a charitable company it is required to adopt Accrual accounting. Accruals accounts present a clearer picture of the charity's finances during the year. They show income and expenditure as these relate to the year in question, rather than simply recording money received and paid out. The balance sheet gives a 'snapshot' of the charity's financial position at the end of the year. However, the timing of the receipt of funding may not match that of the related expenditure.

During the year FACT received £106,339 of funding that related to its refurbishment of the Town Hall, and the increased value of an asset on FACT's balance sheet. However, the SORP requires this to be taken through the income account, which has the impact of significantly increasing income and giving an apparent "surplus" that actually relates to an increased balance sheet value of a capital item.

In February 2021, the Directors adopted a new reserves policy, setting out both a target level and minimum level of reserves.

FACT's minimum level of reserves is to have sufficient freely available unrestricted reserves to fund three month's staff salary costs plus statutory redundancy payments and three months of fixed utility costs.

This is the amount required to wind up the organisation in an orderly way, meeting all outstanding commitments, should this be necessary.

Freely available unrestricted reserves consist of all net current assets where no restrictions have been made on their use by funders. This does not include the value of the Town Hall as the asset would be difficult to sell and convert to cash within a short period of time.

For the financial year 2022/23, the minimum level of unrestricted reserves is estimated as £72,250.

If forecasts show reserves are likely to go below this minimum level, the FACT trustees will take immediate steps to review the organisation's financial position and either form a plan to return to a financially sustainable position, or if that cannot be feasibly done, consider winding up the organisation.

FACT's target level of available unrestricted reserves is six months revenue expenditure, based on the budget for the coming year.

This is the amount required to ensure long term continuation of activity and deal with financial uncertainties.

For the financial year 2022/23 the target level of reserves is £147,000.

The trustees will plan to retain this level of reserves. However, short term reductions below the target level may be made to fund organisational priorities.

# Forres Area Community Trust

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

The present level of reserves available to the charity of £152,252 is marginally above the target level. However, the budget set by the trustees for the year ended 31 March 2023 includes plans to draw on these reserves which will take them temporarily below the target level.

#### Plans for future periods

FACT will continue to develop our activities in order to meet our strategic objectives and the needs of the local community. A priority is the redevelopment of Forres Town Hall to provide a venue fit for the 21st Century which will act as a catalyst to drive regeneration in Forres town centre. While the Town Hall is being refurbished we will continue to provide services to the local community. The Board is currently discussing how this can best be achieved.

#### 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 17/12/2022, and signed on behalf of the board of trustees by:



Joanna Taylor  
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 2022

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 2022.

#### 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 2022

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 Accountants  
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 2022**

	Note	Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	54,936	327,063	381,999	384,465
<b>Total income</b>		<u>54,936</u>	<u>327,063</u>	<u>381,999</u>	<u>384,465</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6,7	60,987	181,742	242,729	241,982
<b>Total expenditure</b>		<u>60,987</u>	<u>181,742</u>	<u>242,729</u>	<u>241,982</u>
<b>Net income and net movement in funds</b>		<u>(6,051)</u>	<u>145,321</u>	<u>139,270</u>	<u>142,483</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		154,921	142,700	297,621	155,138
Transfer between funds		3,382	(3,382)	-	-
<b>Total funds carried forward</b>		<u>152,252</u>	<u>284,639</u>	<u>436,891</u>	<u>297,621</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 16 to 23 form part of these financial statements.

# Forres Area Community Trust

Company Limited by Guarantee

## Statement of Financial Position

31 March 2022

	Note	2022 £	£	2021 £
<b>Fixed assets</b>				
Tangible fixed assets	11		191,988	89,445
<b>Current assets</b>				
Debtors	12	13,521		12,985
Cash at bank and in hand		235,388		197,359
		<u>248,909</u>		<u>210,344</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>4,006</u>		<u>2,168</u>
<b>Net current assets</b>			<u>244,903</u>	<u>208,176</u>
<b>Total assets less current liabilities</b>			<u>436,891</u>	<u>297,621</u>
<b>Net assets</b>			<u>436,891</u>	<u>297,621</u>
<b>Funds of the charity</b>				
Restricted funds			284,639	142,700
Unrestricted funds			152,252	154,921
<b>Total charity funds</b>	15		<u>436,891</u>	<u>297,621</u>

For the year ending 31 March 2022 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 17.12.2022 and are signed on behalf of the board by:



Joanna Taylor  
Trustee

The notes on pages 16 to 23 form part of these financial statements.



# Forres Area Community Trust

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net income	139,271	142,483
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	7,139	2,419
Accrued expenses	2,909	448
<i>Changes in:</i>		
Trade and other debtors	(536)	(1,023)
Trade and other creditors	(1,071)	(3,322)
Cash generated from operations	<u>147,712</u>	<u>141,005</u>
Net cash from operating activities	<u>147,712</u>	<u>141,005</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(109,682)	(89,857)
Net cash used in investing activities	<u>(109,682)</u>	<u>(89,857)</u>
<b>Net increase in cash and cash equivalents</b>	<b>38,029</b>	<b>51,147</b>
Cash and cash equivalents at beginning of year	<u>197,359</u>	<u>146,212</u>
Cash and cash equivalents at end of year	<u>235,388</u>	<u>197,359</u>

The notes on pages 16 to 23 form part of these financial statements.

# Forres Area Community Trust

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 March 2022

#### 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 2022

#### 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 2022

#### 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:

Buildings	-	2% straight line
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 2022

#### 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 2022

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
H & I Enterprise Grants	-	119,507	119,507
Adapt & Thrive Fund	-	68,573	68,573
Other income	37,961	19,482	57,443
Funding Steps to Sustainability Programme	-	9,996	9,996
Impact Funding Partners	-	3,538	3,538
Forres Companion Publication Sales	125	-	125
Forres Online Project	-	-	-
Moray Communities Mental Health and Wellbeing Fund	-	10,000	10,000
Consultancy Income	750	58	808
Flexible Food Project	-	-	-
Older Person's Project	-	5,013	5,013
Community Jobs Scotland	-	-	-
Business Support Grants (Covid)	16,100	-	16,100
Scottish Land Fund (Town Hall)	-	6,009	6,009
Big Lottery Fund	-	-	-
Peoples Postcode Lottery	-	20,000	20,000
SSE Beatrice Offshore Windfarm	-	49,193	49,193
Architectural Heritage Fund	-	15,694	15,694
	<u>54,936</u>	<u>327,063</u>	<u>381,999</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
H & I Enterprise Grants	-	113,868	113,868
Adapt & Thrive Fund	-	-	-
Other income	15,183	19,204	34,387
Funding Steps to Sustainability Programme	-	-	-
Impact Funding Partners	-	9,862	9,862
Forres Companion Publication Sales	18	-	18
Forres Online Project	-	35,000	35,000
Moray Communities Mental Health and Wellbeing Fund	-	-	-
Consultancy Income	1,250	-	1,250
Flexible Food Project	-	9,870	9,870
Older Person's Project	-	6,750	6,750
Community Jobs Scotland	-	9,620	9,620
Business Support Grants (Covid)	37,000	-	37,000
Scottish Land Fund (Town Hall)	-	115,356	115,356
Big Lottery Fund	-	11,484	11,484
Peoples Postcode Lottery	-	-	-
	<u>53,451</u>	<u>331,014</u>	<u>384,465</u>

# Forres Area Community Trust

## Company Limited by Guarantee

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

Year ended 31 March 2022

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Activities	<u>60,986</u>	<u>181,742</u>	<u>242,729</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Activities	<u>-</u>	<u>241,982</u>	<u>241,982</u>

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

	Activities undertaken directly £	Total funds 2022 £	Total fund 2021 £
Activities	<u>242,729</u>	<u>242,729</u>	<u>241,982</u>

**8. Net income**

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	7,139	2,419
Operating lease rentals	<u>1,054</u>	<u>612</u>

**9. Staff costs**

The average head count of employees during the year was 9 (2021: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of staff	<u>6</u>	<u>5</u>

No employee received employee benefits of more than £60,000 during the year (2021: 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.

# Forres Area Community Trust

## Company Limited by Guarantee

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

Year ended 31 March 2022

#### 11. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
<b>Cost</b>			
At 1 April 2021	89,337	5,186	94,523
Additions	98,010	11,672	109,682
<b>At 31 March 2022</b>	<u>187,347</u>	<u>16,858</u>	<u>204,205</u>
<b>Depreciation</b>			
At 1 April 2021	1,787	3,291	5,078
Charge for the year	3,747	3,392	7,139
<b>At 31 March 2022</b>	<u>5,534</u>	<u>6,683</u>	<u>12,217</u>
<b>Carrying amount</b>			
<b>At 31 March 2022</b>	<u>181,813</u>	<u>10,175</u>	<u>191,988</u>
At 31 March 2021	<u>87,550</u>	<u>1,895</u>	<u>89,445</u>

#### 12. Debtors

	2022 £	2021 £
Prepayments and accrued income	1,248	2,224
Other debtors	12,273	10,761
	<u>13,521</u>	<u>12,985</u>

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

	2022 £	2021 £
Accruals and deferred income	4,006	1,098
Other creditors	-	1,071
	<u>4,006</u>	<u>2,169</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 £3,465 (2021: £2,433).



# Forres Area Community Trust

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

#### 15. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Unrestricted funds	<u>154,921</u>	<u>54,936</u>	<u>(60,987)</u>	<u>3,382</u>	<u>152,252</u>

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Unrestricted funds	<u>101,470</u>	<u>53,451</u>	<u>-</u>	<u>-</u>	<u>154,921</u>

##### Restricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Restricted Funds	<u>142,700</u>	<u>327,063</u>	<u>(181,742)</u>	<u>(3,382)</u>	<u>284,639</u>

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Restricted Funds	<u>53,668</u>	<u>331,014</u>	<u>(241,982)</u>	<u>-</u>	<u>142,700</u>

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

	At 1 Apr 2021	Cash flows	At 31 Mar 2022
	£	£	£
Cash at bank and in hand	<u>197,359</u>	<u>38,029</u>	<u>235,388</u>