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# TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for year ended 31 January 2016

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FINDHORN  
FOUNDATION

Transforming human  
consciousness  
in everyday life

The Findhorn Foundation  
Scottish Charity Number SC007233

## CHARITY INFORMATION

### Trustees

Lisette Schuitemaker	Chairperson
Clive Kitson	(resigned 19 November 2015)
Mari Hollander	
Roger Collis	
Paul Dickinson	
Mark Anderson	
Nicola Coombe	
Helen Wildsmith	(appointed 6 May 2015)

<b>Chair of Management</b>	Camilla Bredal Pedersen
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### The Management Group

Martin Roche-Nishimori	(Finance)
Paul Johnson	(Assets - resigned 24 June 2016)
Chris Brown	(Communications - resigned 13 April 2015)
Michael Mitton	(Communications - appointed 1 April 2015)
Judith Bone	(Education)
Joern Fiebig	(Education)
Caroline Matters	(Spiritual and Personal Development)
Pete Finch	(The Park)
India Brown	(Cluny - resigned 15 May 2015)
Kicky Anderberg	(Cluny - appointed 15 May 2015)
Rossana Bonanno	(The Park Living Education and Service)
Micaela Aminoff	(Cluny Living Education and Service - resigned 15 March 2016)
Tara Schelander	(Cluny Living Education and Service - appointed 1 October 2016)
Adele Napier	(Change Projects - appointed 15 September 2015)

<b>General Secretary</b>	John Lowe
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<b>Principal Address</b>	The Park, Findhorn, Forres, IV36 3TZ
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<b>Auditors</b>	Mazars LLP, Chartered Accountants and Statutory Auditors, Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD
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<b>Bankers</b>	Bank of Scotland, Forres Branch, 102 High Street, Forres, IV36 1PA Triodos Bank, 24 Hanover Street, Edinburgh, EH2 2EN
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<b>Solicitors</b>	Shepherd & Wedderburn LLP, Solicitors, 66 Queen Street, Edinburgh, EH2 4NE R & R Urquhart WS, Solicitors, 117-121 High Street, Forres, IV36 0AB
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*“Being at Findhorn always reminds me that powerful and positive visions for the future can be realised... I constantly ask myself how I can integrate this sense of joy, connection and inspiration into my daily life, both personally and professionally.”*

Ed Gillespie, Co-founder and Creative Director, Futerra.



Dear friends,

In 2015, the Findhorn Foundation consciously chose to enter into a change process. As an organisation that encourages inner listening, we shaped this process as a collective inquiry into our unique purpose, identity and role in these turbulent times that affect us all.

As trustees, we approved wholeheartedly of this inquiry. We agreed on these priorities: to articulate a clear statement of the purpose of this centre; to ensure future financial robustness and staff sustainability through various income streams; to move to an empowering structure of governance that reflects our pioneering spirit; to foster pride in ourselves as a coherent model of conscious living; and to build a vibrant fundraising team to communicate who and what we are to current funders and potential partners.

Of course, all through the year the people within the Foundation were offering our programmes of transformation and applied spiritual and community living as well. Thousands from all over the globe again felt drawn to come and visit. Invariably they had their hearts and minds opened, whether they stayed for a few days attending one of our groundbreaking conferences, spent a week in a core program or joined us for a longer period of immersion in the Findhorn way.

The collective inquiry reconfirmed the aliveness and validity of the three founding principles of this centre. We have no single defining spiritual approach or belief system. What we practise and offer here are the skill of inner listening beyond the movements of the ego, the experience of co-creating in partnership with the whole of nature, and the daily application of the attitude that work is love in action.

After over half a century, the Findhorn Foundation and Community continues to foster a field of transformation that touches all who enter into it. Somehow everyone is given precisely the insight, nudge or push they need to remember a forgotten essence and recollect their wholeness. On behalf of the Board of Trustees, I express our gratitude to all those good people who live in this intense field of transformation. We pay tribute to all for being willing to share their lives and learnings on a daily basis with the many who take this new story for humanity further into this precious world of ours.



Lisette Schuitemaker  
Chair of Trustees



Lisette Schuitemaker first came to the Findhorn Foundation in 1998. Here, she put her background in fundraising and PR to use as a volunteer. She was appointed a trustee in May 2002 and as chair in November 2014. Earlier, she served on the Board of Social Venture Network Europe and chaired a number of charities in the Netherlands where she lives. She is currently chair of the Centre for Human Emergence NL and author of three books on personal patterns and spiritual development, two of which have been published in English.



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# MISSION STATEMENT

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**Transforming human consciousness in everyday  
life to bring new possibilities into the world.**

The Findhorn Foundation is a  
centre of transformational learning  
aligned with three principles:

**1. Work is love in action**

*Everything we do, we do with love.*

**2. Co-creation with the intelligence of nature**

*We shape our future in partnership with  
the other beings, physical and non-physical,  
we share this world with.*

**3. Inner listening**

*Each one of us can connect with  
the divine when we turn within.*



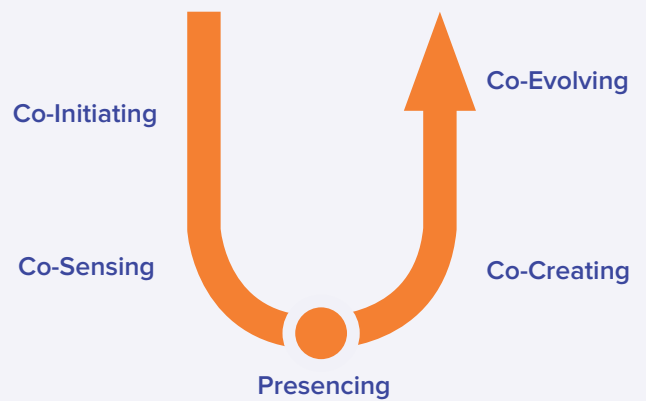
## CLIMATE ACTION

Twenty-one climate finance experts gathered in Findhorn for Climate Finance Advance, an invitation-only gathering to support the implementation of the Paris Climate Agreement. Community members also represented the Foundation in the Paris Climate Conference and the Foundation declared its support for the COP21 agreement by signing the Paris Pledge.



## ORGANISATION

The Foundation invested in its future by beginning an intensive process of inquiry to sense where we are in our evolution, realign with our core purpose and strengthen our community.



## OUTREACH

Community members supported refugee relief efforts in Greece and coordinated with The Moray Council to provide clothing and supplies to Syrian refugees being resettled locally.



The Global Ecovillage Network's GEN+20 conference brought 269 representatives of ecovillages and environmental initiatives from 48 countries to the Findhorn Foundation, where the organisation was founded and developed. Participants built networks, shared ideas and celebrated GEN's 20 years of growth.



**269 Representatives**  
**48 Countries**  
**20 Years of Growth**

As well as producing strategic direction, we used innovative ways of harnessing group intelligence and creativity, eliciting emergent solutions during our community meetings.



**Time Together**

In the inaugural year of our Young Persons Initiative, we were successful in reaching more people under the age of 26 and provided full bursaries to 26 young people who could not have otherwise attended our programmes. Our Care Farming Initiative progressed from pilot to fully operational programme with the close support of The Moray Council, providing supportive community connection to local, socially excluded adults.









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# THE FINDHORN FOUNDATION TRUSTEES' REPORT

## For the year ended 31 January 2016

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The trustees present their report and the financial statements for the year ended 31 January 2016. This report is prepared in accordance with the recommendations of the Charities Statement of Recommended Practice (FRS 102) and complies with applicable law.

### Objectives and Activities

The Findhorn Foundation is a living demonstration of a way of life aligned with inner listening, co-creation with nature and inspired action. As a centre of holistic learning, the Foundation's primary activity is holding transformational educational programmes that inspire people to see and realise new possibilities in life.

### Visitor Programmes

In 2015 the Foundation hosted more than 2,000 guests from 66 different countries in our workshops, special events and conferences. In programmes ranging from permaculture design to a Near Death Experience conference, guests gained perspectives and tools to make positive changes and through participating in community life experienced our way of practically applying spiritual principles.

### Reach

Our annual brochure of programmes travels worldwide through a network of supporters in more than 30 countries. We are deeply grateful for their work, including our 180 volunteer Resource People and the Findhorn Fellows. The latter is a group of 122 prominent thinkers, authors and speakers who share information through their personal and professional networks, cultivate partnerships with other transformational movements and share their expertise and inspiration.

Increasingly we engage people via our social media network, in keeping with guests' changing usage trends. Our website, [www.findhorn.org](http://www.findhorn.org), provides inspiration for people seeking personal and global evolution, information on our community and a calendar of events. Our New Story website, [www.newstoryhub.com](http://www.newstoryhub.com), builds on the momentum generated by our 2014 New Story Summit and has continued to be a well-used resource for a growing worldwide community of change makers.

# OUR COMMUNITY

The Foundation sits within a larger community of like-minded people and organisations. We have four sites, all in Scotland, at Cluny Hill in Forres, at The Park near Findhorn village and on the islands of Erraid and Iona.

Through our regular newsletters, inspirational messages and social media groups we also connect remotely with thousands around the world who share our vision of transforming human consciousness through how we think, act and speak in everyday life.

We pioneer a holistic approach to sustainability that integrates four aspects - spiritual, social, environmental and economic.

By developing not just the externals of sustainability such as ecohousing, ecological sewage treatment and renewable energy, but also addressing the inner life of human beings we give people the opportunity to experience being part of an interconnected web of life.



Whole systems model from Foundation partner Gaia Education









## PARTNER ORGANISATIONS

The Findhorn Foundation works in partnership with local and global organisations to promote holistic sustainability - social, ecological and spiritual.

The trading activities related to the Findhorn Foundation are primarily carried out through a wholly owned subsidiary, **New Findhorn Directions Limited (NFD)**, which provides a consistent, high level of infrastructure services to the Findhorn Ecovillage. It also operates a thriving holiday caravan park at The Park, and as an entrepreneurial expression of the Foundation's purpose, NFD is developing plans to upgrade the ecological specification of its fleet and to enhance the landscaping to provide a stronger connection with nature.

The **Universal Hall Promotions company** runs artistic shows, dance, theatre and music in the Universal Hall in The Park when this is not being used for Findhorn Foundation conferences or events. The performances are usually well attended by people from the local area and form a valued addition to the cultural life in this part of Moray, which is a reason the Company attracts support and funding from Creative Scotland.

The **Findhorn Foundation College** works closely with the Foundation and external higher education

institutions to provide holistic experiential training courses. It coordinates Field Study Visits for further and higher education groups interested in community studies and sustainability, also hosting residential researchers and students undertaking an independent study semester at Findhorn. In 2015, Findhorn Foundation College successfully completed a three year European Commission-funded collaborative study, *Orchestration of Integrated Renewable Generation in Neighbourhoods (ORIGIN)*. It is seeking further research grants, in collaboration with Heriot Watt University, to follow on from ORIGIN.

**Gaia Education** in 2015 completed ten years of leadership in developing curricula for sustainable community design that draws from good practice within ecovillages worldwide. It certifies its flagship programme, *Ecovillage Design Education*, and also runs youth and online sustainability education initiatives.

**CIFAL Scotland** is part of the Local Development Programme of the United Nations Institute of Training and Research (UNITAR) covering Northern Europe, and one of a global network of training centres. Founded and first based in The Park, Findhorn, it is now located in Edinburgh.







Through our partnerships with **The Moray Council** and the NGO **Action for Children**, we provide support for socially excluded and at risk local adults and young people.

In 1997, the **United Nations'** Department of Public Information approved the Findhorn Foundation for formal association with the UN as a recognised Non-Governmental Organisation. Since then, we are represented regularly in UN briefing sessions by Frances Edwards and John Clausen at the UN headquarters in New York. We are grateful for their dedication as both are also on the Spiritual Caucus Coordinating Council, of which Frances is co-convenor. Frances is also on the Values Caucus Council. While serving on these councils, Frances and John organise meditations, workshops, talks and various meetings and events at the UN Headquarters. They are also members of the Conference of NGOs Committee on Sustainable Development in New York (NGOCSD).

Through our Applied Ecovillage Living and Gaia Education Design for Sustainability programmes, the latter in association with Findhorn Foundation College, the Foundation has for the past ten years supported the UN Decade of Education

for Sustainable Development (UNDESD), 2005-2014. UNDESD closed at the end of 2014 and the Foundation, from a position of continuing to serve the advancement of sustainability by transforming lives and protecting the planet, is preparing to align its Education for Sustainable Development programmes with the UN's Sustainable Development Goals.

The Foundation is a member of:

- **Global Ecovillage Network (GEN)**, a worldwide network of sustainable communities and initiatives, based in the Findhorn ecovillage
- **The New Findhorn Association (NFA)**, the coordinating body for the local community in which the Findhorn Foundation sits. Founded in 1999, the NFA coordinates the activities of a growing and diverse membership
- **tsiMORAY**, an organisation which assists social enterprises to become more sustainable in relation to a triple bottom line for people, places and planet

For related party transactions please see note 21.









## ACHIEVEMENTS AND PERFORMANCE

In many ways our greatest achievement this year was living out in our daily lives the spiritual vision that has guided the Foundation since its establishment 54 years ago. In the course of everyday activities, from weeding a garden to relating to each other in a community meeting, we sought to bring inner awareness, loving intention and connection with the whole community of life, seen and unseen. As in previous years, we shared this way of being with thousands of visitors, both in the programme content we offered and by giving them an opportunity to participate in daily community life.

Locally, our Building Bridges initiative celebrated a year of success in broadening the spectrum of people who engage with the Foundation. Working closely with The Moray Council, it supported socially excluded adults and young people in the Moray region to find community and a positive life direction by progressing our care farming project from pilot to established programme and continuing our Youth Empowerment Programme.

On a more global scale, our Climate Finance Initiative built on the 2014 visit of the Executive Secretary of the UN Framework Convention on Climate Change, Christiana Figueres, and brought together high level business and NGO leaders in support of implementing the Paris Climate Treaty's goals. Our eighth Findhorn International Forum on

Sustainability (FIFS) drew executive level corporate and third sector managers together to realign with their values, get inspired and support sustainable initiatives and practices.

Our We Do Not Die conference on Near Death (NDE) and other mystical experiences attracted the participation of world leading NDE presenters. Neurosurgeon turned bestselling author and speaker Dr. Eben Alexander thanked us for having pioneered a sacred way of living he had only become aware of after his NDE. The NDE community numbers millions of people, and we are proud to partner with this movement that, with us, seeks to expand our understanding of consciousness. In order to pursue this theme further, the Foundation will welcome back NDE presenter Jeff Olsen in 2017.

## EVOLVING THE FOUNDATION

Recognising that it had reached a new phase in its evolution, the Foundation initiated in 2015 a process of inquiry into its identity and purpose and to explore what organisational changes are necessary to achieve that purpose.

Between November 2015 and March 2016 we held five weeks of organisation-wide "Time Together" meetings, exploring possibilities through group facilitation approaches designed to elicit collective solutions. The process drew on the wide

array of practices and expertise represented in the Foundation, including meditation, collective inner listening, Process Oriented Psychology and Gestalt work. True to our holistic focus, we worked with multiple levels of consciousness, from individual to global. We also incorporated the latest evolutionary models such as Spiral Dynamics and the U.Lab process. During this time we “re-sourced” ourselves, weaving deeper connections with each other and with the founding principles that continue to inspire our collective journey. At the conclusion of Time Together we crafted a new expression of our purpose (see page 5) and a road map to implement in the next phase of our change process.

Parallel to the Foundation’s own change process our local community’s coordinating body, the New Findhorn Association (NFA), and the Findhorn Foundation appointed a Community Change Working Group to explore the wider community’s evolution and to propose new co-ordination and governance structures. The Foundation’s aim in this process is to arrange circumstances that allow it to focus more on its core purpose of providing transformational learning.

## FUTURE PLANS

Looking forward, we will continue our organisational change process into 2016 and beyond.

A key strategic aim of the change process is to find and implement new organisational structures that better support our mission in today’s world. In parallel with this, the Foundation is exploring closer operational

ties with NFD and Findhorn Foundation College. Expanding our core reach is another strategic priority. Our new website, redesigned and optimised for mobile devices, is scheduled for completion by the end of the year. Building on the successful outreach of our Building Bridges initiatives, we will continue partnering with new organisations and groups. A new strategic marketing plan being developed by NFD will also improve our visibility and reach to prospective visitors to The Park.

Our first feature-length film, *An Enquiry Into a New Story for Humanity: Change the Story, Change the World*, drew audiences from six continents to its web streamed premiere in April, 2016. We will leverage this event to further expand the New Story network and are exploring the possibility of developing a New Story curriculum with other institutions, including Hawkwood and Emerson Colleges.

We will expand our Network of Friends programme in order to increase our ongoing connection to the community of people inspired by our way of life, and as a means to increase our recurring donation income.

Above all we plan to continue the good work of past years in providing a supportive and transformational learning environment for the thousands of people who participate in our programmes each year.



Бразил + Бразил

### 3 CORE DIRECTIONS EMERGING from TT

\* TRANSFORMATIONAL  
FIELD  
PURPOSE  
WORK  
IDENTITY

\* 3 PRINCIPLES  
KEY, LIFE-GIVING BLUEPRINT

\* for "the whole" to function +  
thrive in increasingly complex org/village  
LEADERSHIP; ACCOUNTABILITY  
CLARITY & PURPOSE



## FINANCIAL REVIEW

There was net expenditure for the year of £52,023 (2015 net income of £219,847). Overall income for the year showed a decrease to £2,402,055 (from £2,585,046), largely due to a fall in donations from £458,637 to £194,023. Programme income, the Findhorn Foundation's principal funding source, increased to £1,521,400 (from £1,391,575). Costs decreased to £2,454,080 (from £2,568,854) largely through a decrease in project and other expenditure.

General reserves are mostly held in land and buildings on a long term basis. This is necessary to fulfil The Findhorn Foundation's charitable aims by providing accommodation and teaching facilities. The Findhorn Foundation's wholly owned trading company, New Findhorn Directions Limited, increased income from £582,966 to £625,805, resulting in a final pre-tax profit for the year of £21,160 compared to £7,870 for 2015. The group net worth decreased by £52,023 (1%) to £5,083,496. due to the net expenditure for the year.

Under the Charities Statement of Recommended Practice (SORP) 2015 (FRS102), the Charity's Trustees are required to record the financial effect of significant events in the year. There were no significant events during the past year.

## Reserves Policy

The Foundation's Financial Reserves Policy states that there should be sufficient cash available from bank deposits and/or overdraft facilities to cover the fixed element of four months' operational expenditure - currently estimated at £220,000. This policy was adopted by the trustees in May 2013, and is reviewed at regular intervals, in relation to perceived risks to the Foundation.

## Reserves

The amount and purpose of the reserves are set out in note 19. The Development Reserve represents donations received for a number of different projects as specified by the donors. All other reserves are held in order to further the general aims of The Findhorn Foundation as described above.

## Remuneration

All non-residential Foundation staff including management, are paid at the same hourly rate, currently the National Living Wage. All residential staff receive food and board plus a stipend of £200/month.





# STRUCTURE, GOVERNANCE AND MANAGEMENT

## Governing Document

The Findhorn Foundation is a charitable trust constituted by the original trust deed dated 9 May 1972, as amended 10 December 1998, and is registered and regulated by the Office of the Scottish Charity Regulator.

## Recruitment and Appointment of Trustees

The appointment of new trustees is the responsibility of the Board of Trustees and is carried out in close consultation with The Findhorn Foundation management group and co-workers.

## Trustee Induction and Training

New trustees are appointed bearing in mind their familiarity with the mission and vision of The Findhorn Foundation and their expertise and experience in the fields of spirituality, finance, management and other appropriate areas. Induction takes place through a number of meetings with trustees, the Chair of Management, relevant managers and others within the organisation.

## Organisational Structure

The Board of Trustees has overall responsibility for managing the charity and appoints the Chair of Management in close consultation with the Management group and co-workers. The Board meets twice a year with the Management group and has regular conference calls and further informal meetings if deemed necessary. There is a sub-committee covering financial matters which meets at least four times annually.

Responsibility for the day-to-day running of The Findhorn Foundation is delegated to the Management group, in close consultation with co-workers.

Trustees benefit from trustee indemnity insurance arranged by and at the expense of The Findhorn Foundation. None of the trustees has a beneficial interest in the charity, and any other interests are clearly declared and reviewed annually.



## Principal Risks & Uncertainties

The Management group maintains a register of risks which is reviewed annually by trustees. Individual risks are monitored more frequently if the likelihood or potential impact of a risk merits closer attention by trustees. The most significant risks and uncertainties currently faced by The Findhorn Foundation are as follows.

### *(1) Significant increases in the minimum wage*

In 2015 the government announced its intention to create a National Living Wage which would increase to £9.00/hr by 2020. At the time, all non-residential co-workers were paid the minimum wage, so this would increase staffing costs by over £150,000 annually, an increase of approximately 25% on the Charity's 2015 staffing costs. In order to limit the impact of this potential increase, the Management group is:

- investigating increasing the proportion of co-workers who are residential and not subject to this legislation;
- exploring increasing the number of functions which can be performed by volunteers;
- developing a long-term plan to improve efficiency and effectiveness on a per staff member basis; and
- investigating potential new income sources.

### *(2) Potentially more restrictive visa controls, including Brexit implications*

A significant number of guests (60%) come from

outside the UK, and approximately 40% of co-workers are not UK citizens or permanent residents and of those, about 75% are EU nationals.

Restrictions on the ability of non UK citizens to visit the UK has the potential to reduce Charity education income, and restrictions on EU nationals remaining and working in the UK has the potential to negatively impact the international nature of our centre, and the pool of potential co-workers. The Findhorn Foundation has also directly and indirectly benefitted from European grants in recent years, so loss of those funding streams may negatively impact income.

The Management group is closely monitoring these issues and in the meantime is doing what it can to align educational programmes with any planned or potential visa legislation changes, as well as developing online education options and strengthening partnerships with local organisations.

### *(3) Loss of income due to market changes including economic downturn*

The Charity is very dependent on educational income, and any market or macroeconomic changes which would make The Findhorn Foundation less attractive to guests could have a significant impact on the bottom line. The Management group is investigating potential new income sources and partnerships to broaden the income base, at the same time as paying close attention to costs so that if income does drop unexpectedly, the impact on the overall bottom line is minimised.





## Statement of Trustees' Responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in Scotland 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 net income/ (expenditure) for the financial year. In preparing financial statements giving a true and fair view, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Trustees and Investment (Scotland) Act 2005, The Charities

Accounts (Scotland) Regulations 2006 and the constitution of the charity. 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.

## Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware, and each trustee has taken all steps that he or she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and establish that the Trust's auditors are aware of that information.

This report was approved by the trustees on 19 October 2016 and signed on its behalf by



**Mari Hollander**  
Trustee



**Mark Anderson**  
Trustee



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# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE FINDHORN FOUNDATION

## For the year ended 31 January 2016

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We have audited the financial statements of The Findhorn Foundation for the year ended 31 January 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees and members as a body in accordance the Charities and Trustees Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 21, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.



## Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Opinion on the Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and the consolidated affairs as at 31 January 2016 and of the consolidated net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Mazars LLP.

Mazars LLP, Chartered Accountants  
and Statutory Auditor  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

19 October 2016

## Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept;  
or

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 January 2016

	Notes	General Reserve £	Development Reserve £	Property Revaluation Reserve £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>Income from:</b>							
Donations and legacies		87,390	106,633	-	-	194,023	458,364
Charitable activities	5	1,521,400	-	-	-	1,521,400	1,391,575
Other trading activities		463,007	-	-	-	463,007	548,193
Investments	4	2,502	-	-	-	2,502	2,033
Other	6	221,123	-	-	-	221,123	184,881
<b>Total</b>		<b>2,295,422</b>	<b>106,633</b>	<b>-</b>	<b>-</b>	<b>2,402,055</b>	<b>2,585,046</b>
<b>Expenditure on:</b>							
Raising funds		585,085	-	-	-	585,085	671,273
Charitable activities	7	1,825,737	41,071	-	-	1,866,808	1,897,175
Other expenditure		2,185	-	-	-	2,185	406
<b>Total</b>		<b>2,413,007</b>	<b>41,071</b>	<b>-</b>	<b>-</b>	<b>2,454,078</b>	<b>2,568,854</b>
<b>Net (expenditure)/income</b>	3	(117,585)	65,562	-	-	(52,023)	16,192
<b>Transfers between funds</b>		2,129,075	-	(2,014,351)	(114,724)	-	-
<b>Other recognised gains/(losses)</b>							
Gains on revaluation of fixed assets		-	-	-	-	-	203,655
<b>Net movement in funds</b>		<b>2,011,490</b>	<b>65,562</b>	<b>(2,014,351)</b>	<b>(114,724)</b>	<b>(52,023)</b>	<b>219,847</b>
<b>Reconciliation of funds</b>							
Funds brought forward at 1 February 2015		3,096,630	109,814	2,014,351	114,724	5,135,519	4,915,672
<b>Total funds carried forward</b>		<b>5,008,120</b>	<b>175,376</b>	<b>-</b>	<b>-</b>	<b>5,083,496</b>	<b>5,135,519</b>

There were no acquisitions or discontinued operations during the year. The charity had income of £1,945,311 and net expenditure of £70,996.

Analysis of the 2015 figures is shown in note 24.



THE FINDHORN FOUNDATION (Charity Number: SC007233)

**BALANCE SHEET**

As at 31 January 2016

		<b>Group 2016</b>	<b>Group 2015</b>	<b>Charity 2016</b>	<b>Charity 2015 – as restated</b>
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	11	4,887,341	4,970,625	4,385,697	4,484,389
Investment property	12	-	-	250,000	250,000
Investments	13	83,002	88,002	459,243	440,270
		<u>4,970,343</u>	<u>5,058,627</u>	<u>5,094,940</u>	<u>5,174,659</u>
<b>Current Assets</b>					
Stocks		81,970	78,145	74,694	72,238
Debtors	14	200,425	152,508	151,369	119,081
Cash at bank and in hand		489,202	478,413	419,465	399,991
		<u>771,597</u>	<u>709,066</u>	<u>645,528</u>	<u>591,310</u>
<b>Creditors:</b> amounts falling due within one year	15	(449,453)	(398,774)	(371,903)	(317,517)
<b>Net Current Assets</b>		<u>322,144</u>	<u>310,292</u>	<u>273,625</u>	<u>273,793</u>
<b>Total Assets Less Current Liabilities</b>		5,292,487	5,368,919	5,368,565	5,448,452
<b>Creditors:</b> amounts falling due after more than one year	17	(185,069)	(212,933)	(185,069)	(212,933)
Provisions for liabilities and charges	18	(23,922)	(20,467)	-	-
<b>Net Assets</b>		<u><u>5,083,496</u></u>	<u><u>5,135,519</u></u>	<u><u>5,183,496</u></u>	<u><u>5,235,519</u></u>

THE FINDHORN FOUNDATION (Charity Number: SC007233)

**BALANCE SHEET**

As at 31 January 2016

	Notes	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015– as restated £
<i>Financed by:</i>					
<b>General reserve</b>	19	4,908,120	2,996,630	4,548,879	2,656,362
<b>Development reserve</b>	19	175,376	109,814	175,376	109,814
<b>Property revaluation reserve</b>	19	-	1,914,351	-	1,914,351
<b>Investments revaluation reserve</b>	19	-	-	459,241	440,268
<b>Restricted funds</b>	19	-	114,724	-	114,724
		<u>5,083,496</u>	<u>5,135,519</u>	<u>5,183,496</u>	<u>5,235,519</u>

The financial statements were approved by the Board of Trustees on 19 October 2016 and signed on its behalf by



**Mari Hollander**  
Trustee



**Mark Anderson**  
Trustee



**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 January 2016

	Notes	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
<b>Net cash provided by (used in) operating activities</b>	8	167,783	387,404	140,220	339,842
Dividends, interest and rents from investments		2,502	2,033	1,307	134
Purchase of property, plant and equipment		(129,391)	(159,875)	(78,185)	(151,279)
<b>Net cash provided by (used in) investing activities</b>		(126,889)	(157,842)	(76,878)	(151,145)
Repayments of borrowing		(12,864)	(15,061)	(27,864)	(15,061)
Cash inflows from new borrowing		11,051	162,797	11,051	162,797
Finance costs		(28,292)	(34,061)	(27,055)	(32,291)
<b>Net cash provided by (used in) financing activities</b>		(30,105)	113,675	(43,868)	115,445
Cash and cash equivalents at the beginning of the reporting period		478,413	135,176	399,991	95,849
Cash and cash equivalents at the end of the reporting period	9	489,202	478,413	419,465	399,991
Change in cash and cash equivalents in the reporting period		10,789	343,237	19,474	304,142

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016

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### 1. Principal Accounting Policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Charities Accounts (Scotland) Regulations 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The principal accounting policies of The Findhorn Foundation are set out below:

#### 1.1 Group financial statements

The consolidated financial statements present the results of charity and its wholly owned subsidiary, New Findhorn Directions Limited ("the Group") on a line-by-line basis as though they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Financial Activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

The proportion of results for the associated undertaking are not consolidated as they are not considered significant.

A separate statement of financial activities is not presented within the group financial statements for the charity itself, although key figures from the charity's own activities are provided in the notes.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

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**1.2 Depreciation**

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Caravans (second hand)	- Over six years
Caravans (new caravans)	- Over twelve years
Buildings	- 2%-10% straight line
Eco-mobile homes	- 7% - 10% reducing balance
Tenant's Improvements	- 10% reducing balance
Wind Park	- 5% reducing balance
Computers	- 33.33% reducing balance
Plant and machinery	- 10% - 15% reducing balance
Tools and equipment	- 15% - 33% reducing balance
Fixtures and fittings	- 10% - 15% reducing balance
Motor vehicles	- 25% reducing balance

All assets costing more than £500 are capitalised except for motor vehicles, where assets in excess of £1,000 are capitalised.

**1.3 Taxation**

With the exception of the surplus derived from the activities of the subsidiary New Findhorn Directions Limited, all income is applicable and applied to charitable purposes and relief is given to the Trust under section 505 Income and Corporation Taxes Act 1988.

**1.4 Hire Purchase and leasing commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.5 Investments**

The investment in the subsidiary undertaking is stated at net asset value of the company and any unrealised or realised gains or losses are taken to the Statement of Financial Activities. Unlisted investments by the subsidiary, New Findhorn Directions Limited, are stated at cost, which is appropriate under the Companies Acts whilst the treatment for charity investments should be at valuation. The trustees consider that valuation is similar to cost.

**1.6 Investment Property**

Investment property is held at fair value as at the reporting date. Changes in fair value are accounted for as fair value movements through the Statement of Financial Activities.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 January 2016 (continued)

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**1.8 Reserves**

The general reserve consists of amounts received which have yet to be committed or designated to a specific use by the Trust. The development reserve comprises grants and donations received for development projects which have been restricted by the donor.

**1.9 Income**

Donations are included as they are received whilst all other income is included in the year to which it relates.

**1.10 Expenditure**

All expenditure is included on an accruals basis, inclusive of any VAT which cannot be recovered, and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expenses in the SOFA.

**1.11 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 Deferred taxation**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the subsidiary company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

**1.13 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transactions. Exchange differences are taken into account in arriving at the (deficit)/surplus for the year.

**1.14 Residuary legacies**

Legacies are included in voluntary income when the amount is known.



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 January 2016 (continued)

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**1.15 Fund accounting**

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in note 19.

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the charity's accounting policies, which are described in note 1, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the opinion of the trustees, there are no key sources of estimation uncertainty involved in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**3. Net (expenditure)/income for the year**

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Net income/(expenditure)/income arises after charging:				
Depreciation of tangible fixed assets:				
- Owned	215,342	223,681	179,373	191,586
- Held under finance leases	-	-	-	-
Loss on disposal of tangible fixed assets	1,998	16,912	1,998	16,912
Auditors' remuneration	12,450	11,750	9,100	8,500
Auditors' remuneration from non-audit work	15,045	9,500	11,295	7,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Auditors' remuneration for the group includes amounts payable by the subsidiary undertaking, included in expenditure on raising funds.

**4. Income from investments**

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Interest received	2,502	2,033	1,195	134
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**5. Income from charitable activities**

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Core programme course income	365,235	471,186	365,235	471,186
Workshop course income	380,730	384,545	380,730	384,545
Conferences and events income	266,053	103,579	266,053	103,579
Long term programme income	205,218	156,673	205,218	156,673
Other educational income	289,122	275,592	289,122	275,592
Grants	15,042	-	15,042	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

6. Other income

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Rental income	97,429	88,908	97,429	102,256
Other income	123,694	95,973	131,264	107,661
	<u>221,123</u>	<u>184,881</u>	<u>228,693</u>	<u>209,917</u>

7. Expenditure on charitable activities

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Staffing costs	626,393	589,376	626,393	589,376
Direct programme costs	253,082	215,217	253,082	215,217
Projects expenses	51,793	28,584	51,793	28,584
Development fund expenses	-	138,804	-	138,804
Food and domestic	266,716	256,813	266,716	256,813
Rent, fuel and maintenance	182,770	157,781	332,220	311,304
IT and office expenses	43,571	45,015	43,571	45,015
Marketing	25,367	29,224	25,367	29,224
Other expenditure	178,258	185,536	178,258	185,536
Depreciation	179,373	191,586	179,373	191,586
Loss on sale of fixed assets	1,998	16,912	1,998	16,912
Finance costs	28,292	34,061	27,055	32,921
Trading surplus	(3,542)	(30,924)	(3,542)	(30,924)
Audit fees	9,100	8,500	9,100	8,500
Accountancy fees	11,295	7,000	11,295	7,000
Legal fees	12,342	23,690	12,342	23,690
	<u>1,866,808</u>	<u>1,897,175</u>	<u>2,015,021</u>	<u>2,049,558</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**8. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	Group		Charity	
	2016	2015 – as restated	2016	2015 – as restated
	£	£	£	£
<b>Net (expenditure)/income for the reporting period</b>	(52,023)	16,192	(70,996)	31,727
Adjustments for:				
Depreciation charges and loss/(profit) on the sale of fixed assets	212,675	240,616	176,875	208,498
Release of investment impairment	(10,000)	-	-	-
Dividends, interest and rents from investments	(2,502)	(1,624)	(1,307)	(764)
Finance costs	28,292	34,061	27,055	32,921
Increase in stocks	(3,825)	(26,801)	(2,456)	(28,573)
(Increase)/decrease in debtors	(47,919)	112,475	(32,288)	111,357
Increase/(decrease) in creditors	43,085	17,470	43,337	(15,324)
Tax paid	-	(4,985)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash provided by (used in) operating activities</b>	<u>167,783</u>	<u>387,404</u>	<u>140,220</u>	<u>339,842</u>

**9. Analysis of cash and cash equivalents**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Cash at bank and in hand	489,202	478,413	419,465	399,991
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>489,202</u>	<u>478,413</u>	<u>419,465</u>	<u>399,991</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

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**10. Staff costs**

Total group staff costs amount to £811,981 (2015 - £726,665) which includes employers national insurance £26,366 (2015 - £23,188). The average number of people employed during the year was 122 (2015 -119).

Total staff costs of the charity amount to £626,393 (2015 - £589,376) which includes employers national insurance £13,480 (2015 - £11,910). Payments to self-employed persons amount to £33,000 (2015 - £37,105). The average number of people employed during the year was 107 (2014 – 106). Of these 64 (2015 – 64) were paid a staff allowance and 43 (2015– 42) were salaried.

No employee received remuneration of more than £60,000.

2 trustees, who are employees, received remuneration totalling £4,396 (2015 – 2 totalling £6,262) with employers national insurance £nil (2015 - £nil) for work done on behalf of the charity.

2 trustees received payment through self-employment, £3,498.28 (2015 – 2 totalling £11,214) and no trustees received travel expenses and other expenses totalling £nil (2015 -3 totalling £6,624).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

11. Tangible fixed assets

	<b>Group</b>						Total £
	Land and buildings £	Motor Vehicles £	Equipment £	Plant and Machinery £	Fixtures and fittings £	Caravans £	
<b>Cost</b>							
At 1 February 2015	5,623,824	208,599	568,115	630,216	327,750	447,830	7,806,334
Additions	48,312	11,400	63,380	2,097	2,214	7,069	134,472
Disposals	-	(2,853)	(2,057)	-	-	-	(4,910)
At 31 January 2016	<u>5,672,136</u>	<u>217,146</u>	<u>629,438</u>	<u>632,313</u>	<u>329,964</u>	<u>454,899</u>	<u>7,935,896</u>
<b>Depreciation</b>							
At 1 February 2015	1,353,646	183,987	428,242	233,234	230,662	405,938	2,835,709
Charge for the year	113,611	8,931	35,578	31,912	10,874	14,436	215,342
On disposals	-	(1,248)	(1,248)	-	-	-	(2,496)
At 31 January 2016	<u>1,467,257</u>	<u>191,670</u>	<u>462,572</u>	<u>265,146</u>	<u>241,536</u>	<u>420,374</u>	<u>3,048,555</u>
<b>Net book values</b>							
At 31 January 2016	<u>4,204,879</u>	<u>25,476</u>	<u>166,866</u>	<u>367,167</u>	<u>88,428</u>	<u>34,525</u>	<u>4,887,341</u>
At 31 January 2015	<u>4,270,178</u>	<u>24,612</u>	<u>139,873</u>	<u>396,982</u>	<u>97,088</u>	<u>41,892</u>	<u>4,970,625</u>

Land and buildings is further analysed below.

	Tenant's Improvements £	Wind Park £	Buildings and Caravans £	Eco-mobile homes £
<b>Cost</b>				
At 1 February 2015	247,786	112,290	4,714,758	548,990
Additions	-	-	48,312	
At 31 January 2016	<u>247,786</u>	<u>112,290</u>	<u>4,763,070</u>	<u>548,990</u>
<b>Depreciation</b>				
At 1 February 2015	63,975	34,846	1,079,631	175,195
Charge for the year	6,239	3,865	73,412	30,095
At 31 January 2016	<u>70,214</u>	<u>38,711</u>	<u>1,153,043</u>	<u>205,290</u>
<b>Net book values</b>				
At 31 January 2016	<u>177,572</u>	<u>73,579</u>	<u>3,610,027</u>	<u>343,700</u>
At 31 January 2015	<u>183,811</u>	<u>77,444</u>	<u>3,635,127</u>	<u>373,795</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

11. Tangible fixed assets (continued)

	Buildings and Caravans	Eco-mobile homes	Plant and machinery	Charity Tools and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 February 2015	4,564,758	548,990	578,613	554,532	296,479	208,599	6,751,971
Additions	48,312	-	-	22,703	680	11,400	83,095
Disposals	-	-	-	(2,057)	-	(2,853)	(4,910)
At 31 January 2016	<u>4,613,070</u>	<u>548,990</u>	<u>578,613</u>	<u>575,178</u>	<u>297,159</u>	<u>217,146</u>	<u>6,830,156</u>
<b>Depreciation</b>							
At 1 February 2015	1,079,631	175,195	205,195	416,398	207,176	183,987	2,267,582
Charge for the year	73,412	30,095	28,266	28,971	9,698	8,931	179,373
On disposals	-	-	-	(1,248)	-	(1,248)	(2,496)
At 31 January 2016	<u>1,153,043</u>	<u>205,290</u>	<u>233,461</u>	<u>444,121</u>	<u>216,874</u>	<u>191,670</u>	<u>2,444,459</u>
<b>Net book values</b>							
At 31 January 2016	<u>3,460,027</u>	<u>343,700</u>	<u>345,152</u>	<u>131,507</u>	<u>80,285</u>	<u>25,476</u>	<u>4,385,697</u>
At 31 January 2015	<u>3,485,127</u>	<u>373,795</u>	<u>373,418</u>	<u>138,134</u>	<u>89,303</u>	<u>24,612</u>	<u>4,484,389</u>

12. Investment property

	Group	Charity
	£	£
<b>Valuation</b>		
At 1 February 2015 & 31 January 2016	<u>-</u>	<u>250,000</u>
<b>Net book value</b>		
At 1 February 2015 & 31 January 2016	<u>-</u>	<u>250,000</u>

The trustees believe the valuation of investment properties in the charity is fairly stated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**13. Fixed Asset Investments**

Cost	At 31/01/15	Group		At 31/01/16
		Additions/ release of provision	Disposals/ Repayments	
	£	£	£	£
Phoenix Community Stores Limited	15,001	10,000	-	25,001
Duneland Limited	11,000	-	-	11,000
Ekobay	1	-	-	1
Findhorn Wind Park Limited	62,000	-	(15,000)	47,000
	<u>88,002</u>	<u>10,000</u>	<u>(15,000)</u>	<u>83,002</u>

The investments held by the group are stated at cost less provision and are held by the subsidiary, New Findhorn Directions Limited. Because these are all unquoted, it is impractical to value them at market value. During the year the subsidiary continued to provide a loan of £20,000 (2015: £35,000) which is included in the investment in Findhorn Wind Park Limited. £15,000 was repaid in April 2015. This investment is a 33.33% holding and is deemed to be an associated undertaking.

**Charity**

**Trading subsidiary**

The trading subsidiary, New Findhorn Directions Limited is wholly owned by the charity, is registered in Scotland and operates a caravan site and maintains energy supplies and infrastructure for The Park. The investment is revalued every year based on the net assets in the subsidiary at the year end.

<b>COST OR VALUATION</b>	<b>£</b>
At 1 February 2015	440,270
Revaluation during the year	18,973
At 31 January 2016	<u>459,243</u>
<b>NET BOOK VALUE</b>	
At 31 January 2016	<u>459,243</u>
At 31 January 2015	<u>440,270</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**14. Debtors**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	75,976	55,356	38,569	26,203
Amounts owed by connected charity (note 21)	940	19,388	940	19,388
Other debtors	32,619	114	25,000	-
Prepayments and accrued income	90,890	77,650	86,860	73,490
	<u>200,425</u>	<u>152,508</u>	<u>151,369</u>	<u>119,081</u>

**15. Creditors: amounts falling due within one year**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	100,952	73,790	84,434	63,270
Accruals	59,185	41,141	28,126	20,258
Tax and social security	8,365	9,839	3,847	6,196
Deferred income	89,166	77,005	89,166	77,005
Amounts owed to subsidiary undertaking (note 21)	-	-	21,824	17,333
Other creditors	18,779	35,040	-	-
Interest free loans	15,298	15,298	15,298	15,298
Ekopia loan	28,500	28,500	-	-
Savings and Loan Scheme (note 16)	116,641	106,081	116,641	106,081
Bank loan	12,567	12,076	12,567	12,076
	<u>449,453</u>	<u>398,770</u>	<u>371,903</u>	<u>317,517</u>

**16. Savings and Loan Scheme**

The scheme relates to money borrowed from the Foundation's co-workers and supporters to assist in the financing of its activities. Statements are issued to participants recording receipts and withdrawals. No interest is paid to members of the scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**17. Creditors: amounts falling due after one year**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Interest free loans	65,697	80,994	65,697	80,994
Bank loan	119,372	131,939	119,372	131,939
	<u>185,069</u>	<u>212,933</u>	<u>185,069</u>	<u>212,933</u>

The Bank loan is repayable in monthly instalments with the last instalment due in December 2024. Interest is charged on the loan at 3.5% over base rate. The loan is secured over the Park Building, The Park, Findhorn, Moray, IV36 3TZ and Treya, 224 Pineridge, The Park, Findhorn, Moray, IV36 3TZ.

**18. Provisions for liabilities and charges**

Deferred tax is analysed over the following timing differences:

	Group Provided		Charity Provided	
	2016	2015	2016	2015
	£	£	£	£
Accelerated capital allowances	<u>23,922</u>	<u>20,467</u>	<u>-</u>	<u>-</u>

Movements on the provision for deferred taxation are:

	2016	2015	2016	2015
	£	£	£	£
At 1 February 2015	20,467	21,176	-	-
Charge/(release) for year	3,455	(709)	-	-
At 31 January 2016	<u>23,922</u>	<u>20,467</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**19. Analysis of net assets between funds**

**Group**

	General Reserve	Development Reserve	Total 2016	Total 2015
	£	£	£	£
Tangible fixed assets	4,887,341	-	4,887,341	4,970,625
Investments	83,002	-	83,002	88,002
Cash at bank and in hand	313,826	175,376	489,202	478,413
Other net current liabilities	(167,058)	-	(167,058)	(168,121)
Other liabilities	(185,069)	-	(185,069)	(212,933)
Provisions for liabilities and charges	(23,922)	-	(23,922)	(20,467)
	<u>4,908,120</u>	<u>175,376</u>	<u>5,083,496</u>	<u>5,135,519</u>

**Charity**

	General Reserve	Development Reserve	Investments Revaluation Reserve	Total 2016	Total 2015
	£	£	£	£	£
Tangible fixed assets	4,385,697	-	-	4,385,697	4,484,389
Investment Property	250,000	-	-	250,000	250,000
Investments	2	-	459,241	459,243	440,270
Cash at bank and in hand	244,089	175,376	-	419,465	399,991
Other net current (liabilities)/assets	(145,840)	-	-	(145,840)	(126,198)
Long Term liabilities	(185,069)	-	-	(185,069)	(212,933)
	<u>4,548,879</u>	<u>175,376</u>	<u>459,241</u>	<u>5,183,496</u>	<u>5,235,519</u>

**Purposes of reserves**

**Investments revaluation reserve**

This represents the increase in value of the investment in New Findhorn Directions Limited.

**Property revaluation reserve**

This represented the excess of the value of the property in the financial statements over its original cost, and has now been transferred the general reserve.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

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**19. Analysis of net assets between funds (continued)**

**Development reserve**

This represents amounts restricted by the donor for specific development projects.

**General reserve**

This represents unrestricted funds which can be used for general purposes.

**Restricted funds**

This represented a grant for the Biomass boiler and the balance of £114,724 at 31 January 2010 has now been transferred to the general reserve as there are no longer any restrictions on the grant.

**20. Contingent liabilities**

The Findhorn Foundation has provided a letter of guarantee for Findhorn Foundation College for £30,000. In addition, New Findhorn Directions Limited has borrowed £28,500 from Ekopia Resource Exchange and this loan is guaranteed by The Findhorn Foundation.

**21. Related party transactions**

Advantage has been taken of the exemption granted by FRS102, not to report details of the transactions with entities which are wholly controlled by a common parent undertaking.

Included in debtors (note 14) at the year-end is a balance of £940 (2015 - £19,388) relating to Findhorn Foundation College, whose board are appointed in conjunction with the Trustees and Management Group of The Findhorn Foundation. During the year, £42,429 (2015 - £49,354) of the income came from the College, and a donation of £15,000 given to the College.

The Universal Hall was formed in 2009 and is an independent company that promotes artistic performances in The Findhorn Foundation's Universal Hall. The company pays the Foundation for food, accommodation, space and equipment rental and internet services. Universal Hall Ltd paid £14,540 to The Findhorn Foundation in the year ending 31 January 2016 (2015 - £17,567) and owed The Findhorn Foundation £2 (2015 - £5,037) at the year end.

During the year the subsidiary paid £475 (2015 - £2,944) to a business run by A L Walker, a director, and £1,429 was received for office rent and telephone charges. The amount due to the related party at the year-end is £206 (2015 - £178).

The subsidiary purchases electricity supplies from Findhorn Wind Park Limited, an associated undertaking, amounting to £148,013 (2015 - £142,236) from Findhorn Wind Park Limited. These transactions were conducted at an open market value. At the year end the company owes Findhorn Wind Park Limited £nil (2015 - £19,695).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**21. Related party transactions (continued)**

The subsidiary also provided a loan to Findhorn Wind Park Limited of £20,000 (2015 - £35,000). This loan is unsecured and has no fixed terms of repayment. During the year ending 31 January 2015, interest receivable on this loan amounted to £1307 (2015 - £1,899).

During the year there were the following transactions with the trustees and businesses associated with them –

		(Received)/Paid £	Outstanding at year end £
Mari Hollander	Rent	(£4,800) (2015 – (£4,750))	£nil (2015 - £nil)
Nicola Coombe	Donation	£nil (2015 – (£200))	£nil (2015 - £nil)
	Course income	£nil (2015 – (£779))	
Lisette Schuitemaker	Donation	(£91,793) (2015 – (£91,279))	£nil (2015 - £nil)
Mark Anderson	Donation	(£1,400) (2015 – (£1,205))	£nil (2015 - £nil)
	IT Consultancy	£1,108 (2015 - £3,971)	
Clive Kitson	Educational Services	£2,390 (2015 - £3,863)	£nil (2015 - £nil)
Paul Dickinson	Donation	(£35) (2015 – (£535))	£nil (2015 - £nil)
	Travel	£nil (2015- £4,608)	
Roger Collis	Travel	£nil (2015 - £1,753)	£nil (2015 - £nil)

All of the above transactions (other than donations) were at market value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**22. First time adoption of FRS 102**

The policies applied under the entity’s previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss. A reclassification was made in respect of accounting for an element of the tangible fixed assets as investment properties under FRS 102 for the charity only, and not in the consolidated financial statements. This adjustment meant a restatement of reserves brought forward from 2014. The reclassification of expenditure between categories has also been required in making the transition to FRS 102. The last set of financial statements prepared under the provisions of the Statement of Recommended Practice “Accounting and Reporting by Charities” (March 2005) were for the year ended 31 January 2015.

Information on the impact of first time adoption of FRS 102 is given below. The date of transition to FRS 102 is 1 January 2014.

	<b>As previously stated 1 January 2014</b>	<b>Effect of transition 1 January 2014</b>	<b>FRS 102 (as restated) 1 January 2014</b>
	£	£	£
<b>Fixed assets</b>			
Tangible assets	4,487,953	(150,000)	4,337,953
Investment property	-	250,000	250,000
Investments	455,806	-	455,806
<b>Current assets</b>	371,049	-	371,049
<b>Creditors:</b> amounts falling due within one year	(311,767)	-	(311,767)
<b>Net current assets</b>	59,282	-	59,282
<b>Total assets less current liabilities</b>	5,003,041	100,000	5,103,041
<b>Creditors:</b> amounts falling due after more than one year	(87,368)	-	(87,368)
<b>Net assets</b>	4,915,673	100,000	5,015,673
<b>Reserves</b>	4,915,673	100,000	5,015,673



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

**22. First time adoption of FRS 102 (continued)**

	As previously stated 1 January 2015 £	Effect of transition 1 January 2015 £	FRS 102 (as restated) 1 January 2015 £
<b>Fixed assets</b>			
Tangible assets	4,634,389	(150,000)	4,484,389
Investment property	-	250,000	250,000
Investments	440,270	-	440,270
<b>Current assets</b>	591,310	-	591,310
<b>Creditors:</b> amounts falling due within one year	(317,517)	-	(317,517)
<b>Net current assets</b>	273,793	-	273,793
<b>Total assets less current liabilities</b>	5,348,452	100,000	5,448,452
<b>Creditors:</b> amounts falling due after more than one year	(212,933)	-	(212,933)
<b>Net assets</b>	5,135,519	100,000	5,235,519
<b>Reserves</b>	5,135,519	100,000	5,235,519

**23. Ultimate controlling party**

The ultimate controlling party is considered to be the Board of Trustees.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2016 (continued)

24. Comparative statement of financial activities

	General Reserve £	Development Reserve £	Property Revaluation Reserve £	Restricted Funds £	Total 2015 £
<b>Income from:</b>					
Donations and legacies	266,688	191,676	-	-	458,364
Charitable activities	1,391,575	-	-	-	1,391,575
Other trading activities	548,193	-	-	-	548,193
Investments	2,033	-	-	-	2,033
Other	184,608	-	-	-	184,881
	<u>2,393,370</u>	<u>191,676</u>	<u>-</u>	<u>-</u>	<u>2,585,046</u>
<b>Expenditure on:</b>					
Raising funds	671,273	-	-	-	671,273
Charitable activities	1,758,371	138,804	-	-	1,897,175
Other expenditure	406	-	-	-	406
<b>Total</b>	<u>2,430,050</u>	<u>138,804</u>	<u>-</u>	<u>-</u>	<u>2,568,854</u>
<b>Net income</b>	(36,680)	52,872	-	-	16,192
<b>Transfers between funds</b>	46,988	(46,988)	-	-	-
<b>Other recognised gains/(losses)</b>					
Gains on revaluation of fixed assets	-	-	203,655	-	203,655
<b>Net movement in funds</b>	10,308	5,884	203,655	-	219,847
<b>Reconciliation of funds</b>					
Funds brought forward at 1 February 2014	2,986,322	103,930	1,710,696	114,724	4,915,672
<b>Total funds carried forward</b>	<u>2,996,630</u>	<u>109,814</u>	<u>1,914,351</u>	<u>114,724</u>	<u>5,135,519</u>



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The Findhorn Foundation  
Scottish Charity Number SC007233