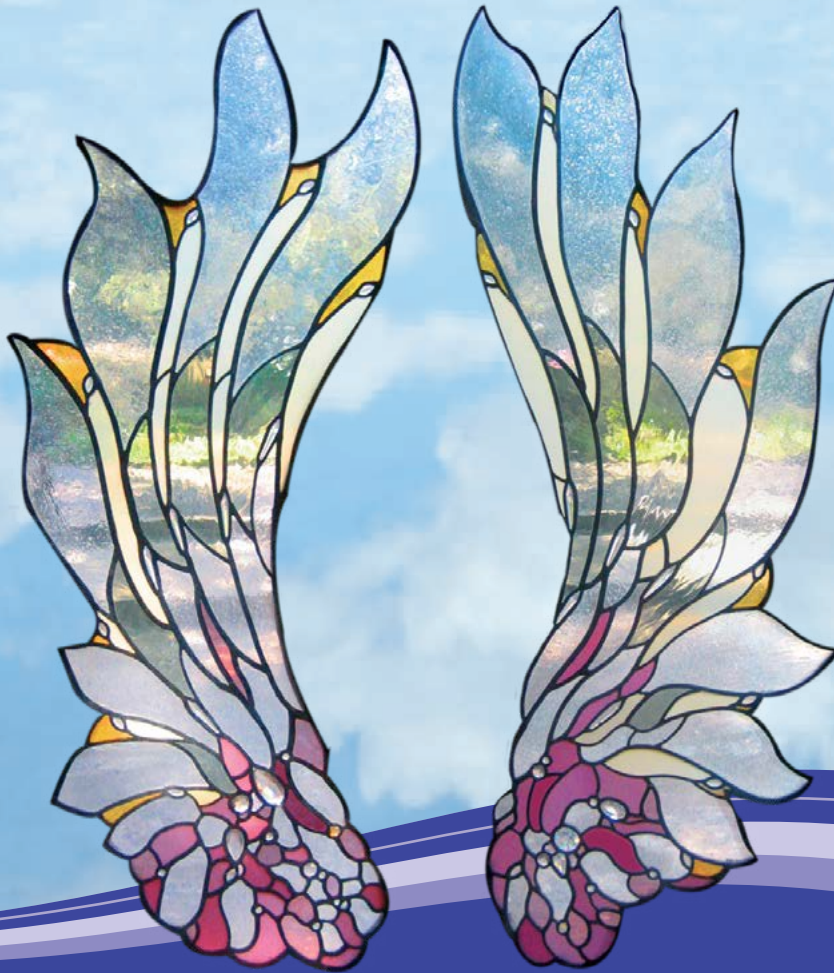


Trustees' Report & Consolidated Financial Statements

FOR YEAR ENDED 31 JANUARY 2017



FINDHORN
FOUNDATION

TRANSFORMING HUMAN CONSCIOUSNESS IN EVERYDAY LIFE

Scottish Charity Number SC007233

Findhorn Foundation

Trustees

| | |
|----------------------|----------------------------|
| Lisette Schuitemaker | CHAIR |
| Mari Hollander | |
| Roger Collis | |
| Paul Dickinson | |
| Mark Anderson | |
| Nicola Coombe | |
| Helen Wildsmith | |
| Francine Rietberg | APPOINTED 20 NOVEMBER 2016 |
| Kathy Tyler | APPOINTED 7 MAY 2017 |

The Management Group

| | |
|-------------------------|---|
| Camilla Bredal Pedersen | TO 31 AUGUST 2017 CHAIR |
| Pete Finch | DEPUTY CHAIR; THE PARK—RESIGNED 16 FEBRUARY 2017 |
| Martin Roche-Nishimori | FINANCE |
| Paul Johnson | ASSETS—RESIGNED 24 JUNE 2016 |
| Kicky Anderberg | ASSETS—APPOINTED 1 MARCH 2017 |
| Michael Mitton | COMMUNICATIONS—RESIGNED 1 FEBRUARY 2017 |
| Judith Bone | EDUCATION—RESIGNED 7 FEBRUARY 2017 |
| Joern Fiebig | EDUCATION—RESIGNED 1 MARCH 2017 |
| Caroline Matters | SPIRITUAL AND PERSONAL DEVELOPMENT |
| Kicky Anderberg | CLUNY—RESIGNED 1 MARCH 2017 |
| 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 | STRATEGIC SUPPORT |

The Stewards' Circle

| | |
|-------------------------|--|
| Camilla Bredal Pedersen | FROM 1 SEPTEMBER 2017 CHAIR; EXPANDING CORE REACH HUB |
| Rossana Bonanno | LIVING CORE HUB |
| Gabrielle Buist | EXPANDING CORE REACH HUB |
| Caroline Matters | SPIRITUAL & PERSONAL DEVELOPMENT; THRIVING WHOLE HUB |
| Adele Napier | LIVING CORE HUB |
| Martin Roche-Nishimori | FINANCE; THRIVING WHOLE HUB |



CHARITY INFORMATION

Charity Number SC007233

General Secretary John Lowe

Principal Address The Park, Findhorn, Forres, IV36 3TZ

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

Bankers Bank of Scotland, Forres Branch, 102 High Street, Forres, IV36 1PA
Triodos Bank, 24 Hanover Street, Edinburgh, EH2 2EN

Solicitors 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.



Adventure

Freedom

Kindness

Resilience

Risk

Integrity

Spartan

Celebrate

Dear Friends,

All human progress comes from our consciousness opening wider. That is why the work of opening one's own consciousness to embrace a larger view of reality, and helping others open their hearts and minds to be more inclusive and less reigned by the ego, is of paramount importance in this time of disruption and transition.

Since its inception in 1962, and its formal constitution a decade later, the Findhorn Foundation has been one of the pioneers of an integrated way of living that is increasingly recognized as exactly what is needed in this highly interconnected and interdependent world of ours.

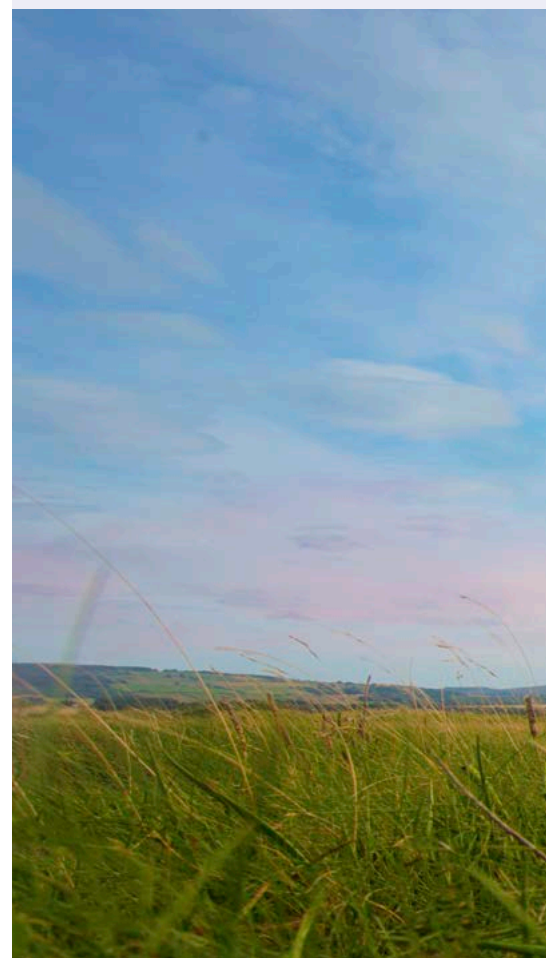
In 2016, the process of adapting the organisation to fulfil its highest potential was continued. While a managerial structure was helpful since it was implemented in the nineties, now a call was felt to be among the first organisations worldwide to experiment with a governance model that empowers everyone to do their work as they see fit while being fully plugged into a transparent system of governance and decision-making.

The first requirement for such a sophisticated way of working is commitment to what management literature nowadays calls an MTP – a massive transformative purpose. In the course of the year the essence of the Findhorn Foundation's *raison d'être* was re-established as: "Transforming human consciousness in everyday life to bring new possibilities into the world". In order to do this, the practice was reaffirmed of the three founding principles of inner listening, co-creation with the intelligences of nature and work as love in action.

As trustees, we wholeheartedly embrace what has come out of the Change Process that was embarked upon in 2014. Each time we met as a board, remarkable steps have been taken. The newly worded purpose was affirmed in May of last year. A holistic business plan was presented in November. A new organisational format of three dedicated circles – or hubs – was adopted as an experiment in January of this year and affirmed in May. At the same time an inquiry has started into our educational offering both regarding content and the way we present ourselves via social media and



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, Lisette served on the Board of Social Venture Network

Europe and chaired a number of charities in the Netherlands where she lives, such as The Home Foundation and the Centre for Human Emergence NL.

Lisette is author of books on personal patterns and spiritual development.

our informative new website. Overall there is a stronger sense of collaboration and mutual benefit between the various parts that make up our community of organisations, including New Findhorn Directions Limited and the Findhorn Foundation College.

It comes as no surprise that this year of intense organisational change has taken its toll in a lower projected income stream for the current year. We are, however, still in a sound financial position. As we renew our pledge to be leaders in the transition to a holistic worldview, we trust new audiences will find their way to our specific programmes, events, conferences and trainings – and to the transformational field that all those who make up the Findhorn Foundation and Community nourish and are nourished by on a daily basis.

As Trustees, we couldn't be prouder than to serve the continued unfolding of this sacred place and the committed people who dedicate their life to the emergent next level of consciousness.



Lisette Schuitemaker
CHAIR OF TRUSTEES



FINDHORN FOUNDATION TRUSTEES' REPORT

For the year ended 31 January 2017

The Trustees present their report and the financial statements for the year ended 31 January 2017. 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 learning programmes that inspire people to see and realise new possibilities in life and in the world.

Visitor Programmes and Reach

In 2016 the Foundation hosted more than 2,200 residential guests from 50 different countries in our workshops, special events and conferences, and around 800 people participated in non-residential tours and programmes. Over the year our websites were viewed by around half a million people¹, and our Facebook reach is in excess of 1 million people². Our online videos, including our New Story and TEDx Findhorn videos, have been viewed over 70,000 times.

In programmes ranging from Experience Week to Applied Ecovillage Living to the Transformation Game, participants gained perspectives and tools to make positive changes and through participating

in community life experienced our way of practically applying spiritual and ecological principles.

The Foundation is represented throughout the world by a dedicated network of supporters, including 173 Resource People in 33 countries and 144 Findhorn Fellows. We are deeply grateful for their work. The latter is a group of 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 prospective guests' changing usage trends. Our main website at www.findhorn.org, which was relaunched in February 2017, 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, 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 Care Farm website at www.findhornbaycarefarm.org provides information specific to our Care Farm initiatives.

¹ source Google Analytics

² source Facebook insights

Mission Statement

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 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.

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 eco housing, ecological sewage treatment and renewable energy, but also addressing the inner life of human beings we give people the opportunity to experience and participate in being part of the interconnected web of life.



The three core principles at the heart of our work





Partner Organisations

The Findhorn Foundation works in partnership with local and global organisations to promote holistic sustainability—spiritual, social, environmental and economic.

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** is closely aligned with the aims of the Findhorn Foundation and offers skill enhancing certified courses in design, facilitation, wellbeing and language skills. Over the past five years it has seen the development of a research wing focusing on renewable technology and themes within social science. The College is committed to

providing holistic education throughout its courses and is passionate about engaging participants in transformative education for sustainability and personal empowerment.

Courses in further and higher education integrate experiential and academic learning within the context of the world-renowned Findhorn Ecovillage. The College leads Field Study visits for higher education cohorts exploring community studies and sustainable settlement design, as well as mentoring post graduate residential researchers and undergraduate students undertaking an independent semester of study in the Findhorn Learning Centre. Over 100 field study visitors were hosted during 2016.

In 2015, Findhorn Foundation College successfully completed a three year European Commission-funded collaborative study, *Orchestration of Integrated Renewable Generation in Neighbourhoods (ORIGIN)*. This work has continued with expanded renewables research and smart grid studies in collaboration with the Heriot-Watt and Strathclyde Universities.

Gaia Education is a leading-edge provider of sustainability education that promotes thriving communities within planetary boundaries. It develops curricula for sustainable community design that draw on good practice within ecovillages worldwide and runs online sustainability education initiatives including a dynamic online course that explores dimensions of designing for sustainability.



Through our partnership with **Action for Children**, we provide support for socially excluded and at risk local adults and young people.

In 1997, the Findhorn Foundation, as a non-governmental organisation (NGO), became formally associated with the Department of Public Information (DPI) at the **United Nations** headquarters in New York. Since then the Foundation has been represented regularly at the UN headquarters by Frances Edwards and John Clausen. Besides attending DPI Briefings and other UN events, they 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 various educational programmes and activities, including the Ecovillage Experience Week, Permaculture Design Course and Ecovillage Design Education, the Findhorn Foundation is actively supporting the UN Sustainable Development Goals. These make up a 17-point plan adopted in 2015 to end poverty, protect the planet and ensure prosperity for all, as part of a new sustainable development agenda. This is the biggest attempt in the history of the human race as a whole to make the world a better place: a plan that 193 governments have agreed on, and backed by leading businesses and organisations.

The Foundation is also an organisational member of the **United Nations Association**, a civil society charity formed to support the work and values of the UN.

The Foundation is a member of:

- **Global Ecovillage Network (GEN)**, a worldwide network of sustainable communities and initiatives, based in the Findhorn ecovillage
- **Holistic Centers Network**, which strengthens collaboration among holistic centres worldwide that support personal and spiritual growth and serve the evolution of a conscious and sustainable world
- **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

Our daily lives continue to demonstrate the spiritual vision that has guided the Foundation since its establishment. In the course of everyday activities, from weeding a garden to relating to each other in a community meeting, we seek 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 visitors an opportunity to participate in daily community life.

We were also delighted to be recognised in October 2017 as Charity of the Year in the PEA (People Environment Achievement) Awards.

Our Essential Findhorn Programmes continued to be popular with more people joining our Experience Weeks than in recent years, and our workshops and events covered a wide range of topics from Interspecies Communication to Gene Keys to Permaculture Design.

At our 2016 autumn conference, *Healthy Birth Health Earth*, we welcomed a wide range of professionals involved in birth and care of babies, therapists, educators and ecologists, to explore how the conscious support of our early life is crucial to the wellbeing of the planet.

Our Findhorn International Centre for Sustainability (FICS), continued to bring a healthy diversity of participants through programmes such as our *Unblocking the Future* gathering which was

attended by over 50 leaders from the corporate, investment and environmental sectors. The gathering explored the institutional obstructions preventing the implementation of the Paris Agreement and strategies for overcoming these barriers.

Running twice yearly, our 12 week *Youth Empowerment Programme and Employability Skills Initiative* is a Big Lottery Funded programme run in conjunction with Action for Children to support local young people who have left statutory schooling but are currently unable to enter the local employability market and/or re-enter education. The programme has been very successful in holding the attention and engagement of participants, and in helping them develop emotional self-awareness and learning that supports them along the path towards a sustained positive destination in life.

Our Findhorn Bay Care Farm provides a meaningful, creative and fun day service for adults with a learning disabilities and autism. Through the creation of a healthy daily structure in our community gardens, the programme builds participants' confidence and helps to develop social and practical skills.

In April 2016 we premiered in Findhorn our first full length feature documentary, *An Enquiry Into a New Story for Humanity: Change the Story, Change the World*. The premier was attended by about 300 people locally and an estimated 2,500 people globally who joined us for the web streamed event. Since the launch, the film has been viewed over 50,000 times.

During the year we had the opportunity to celebrate the 40th anniversary of the Game of Transformation which was developed here in Findhorn and which continues to form an important part of our educational offering. Our Festival of Sacred Dance, Music and Song also celebrated 40 years of sacred dance in our community.

Reinventing Our Organisation

Driven by our collective sense that fundamental organisational changes were needed to better fulfil our purpose, we embarked in 2015 on a process of deep organisational change. Over the winter of 2015/2016 the organisation spent a total of five weeks as collective 'time together' to revision our purpose, and during 2016 the insights from this period of reflection were synthesised into a plan for new organisational structures and strategic objectives. This plan was approved by trustees in November 2016, and the management team worked on the implementation of this change in the following months.

A most visible outcome of this change is the reorganisation of the Foundation into three 'hubs' (see right), each focused on a different aspect of our purpose and operations.

After a transitional period of a few months, this new three-hub structure was fully adopted on 1 September 2017.

THE FOUNDATION'S NEW THREE HUB ORGANISATIONAL STRUCTURE

LIVING CORE

Creating a living, learning, working environment (place, culture, programmes) that supports personal and planetary transformation for participants & guests, co-workers & apprentices and beyond.

EXPANDING CORE REACH

A dynamic hub which translates, develops and expands the reach of our core curriculum to diverse target groups and platforms.

THRIVING WHOLE

Supporting the well-being, joy and efficiency in the people, structures and functions of the Findhorn Foundation.

Future Plans

We have invested significant effort into our organisational transformation over the last three years, and this effort will continue as we reconfigure structures and processes throughout the organisation to embody our new three-hub structure.

In parallel with this process we are also undertaking a deep enquiry into our educational offerings and will reshape our curriculum over the next two years to be more relevant and appealing. Led by the Expanding Core Reach Hub, we expect this to include a renewed enthusiasm and focus on our traditional, unique offerings, new workshops and events built around our core values and principles, and bringing new and teachers to Findhorn. In addition to on-site offerings, we will continue to experiment with online courses and partnering with like minded institutions.

A generous donation of £150,000 received in 2017 is enabling us to plan for investments in upgrades of our staff accommodation and office facilities, in training and in exploring new educational initiatives.



Financial Review

There was net expenditure for the year of £94,084 (2016 net expenditure £52,023). Overall income for the year showed a small increase of £162,604 to £2,564,659 (from £2,402,055), largely due to a rise in donations from £194,023 to £318,351. Costs increased by £204,665 to £2,658,743 (from £2,454,078) of which the main charitable activity contributors were Restricted Funds Expenses of £156,571 (£0 in 2016) and a £55,882 rise in staffing costs to £682,275. A £78,190 rise in Rent, Energy and Maintenance costs to £260,960 was offset by a £101,406 fall in Other Expenses to £35,775, mainly due to a reclassification between these two items.

General reserves are mostly held in land and buildings on a long term basis. This is necessary to fulfil the Foundation's charitable aims by providing accommodation and teaching facilities.

New Findhorn Directions Limited, the Foundation's wholly owned trading company, increased income from £625,805 to £640,257. There was a final pre-tax loss for the year of £12,865 compared to a profit of £21,160 for 2016, due to increased labour costs and marketing expenditure. During the year, NFD was revalued down by £12,864 from £459,243 to £448,986. NFD was not in a position to make a gift aid contribution to the charity in the year.

The total funds carried forward for the group is £4,989,412 (2016—£5,083,496), a £94k difference as a result of the net expenditure. Depreciation for the year was £185,796. The cash situation has improved, with £508,275 available (2016—£419,465).

The Foundation will focus over the next five years on revitalising our core work; expanding our reach and relevance in the world; and staff remuneration, training and

working/living conditions. As part of this, funds will be set aside for the improvement or replacement of living quarters, guest accommodation and office accommodation.

A triple bottom line accounting system is being developed to incorporate Sustainable Finance, Planet Care and People Wellbeing. This is being achieved through a grant from Qlik software company for which we are very grateful. We continue to prioritise the use of ethical banks for our financial transactions.

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 excluding depreciation. For 2016–2017 this was estimated at £210k. 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 18. 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.

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 Stewards' Circle and co-workers. Trustees normally serve for up to two 4-year terms, though sometimes where trustees bring exceptional value to the Foundation, they may be asked to serve for more terms.

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 field 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 Stewards' Circle and co-workers. The Board meets twice a year with the Stewards' Circle and has regular conference calls and further informal meetings

if deemed necessary. There is a sub-committee covering financial matters which meets at least 4 times annually.

Responsibility for the day-to-day running of the Findhorn Foundation is delegated to the Stewards' Circle, 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.

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 which is deemed equivalent in value to the salary that non-residential staff receive. In May 2017, a process was initiated to explore paying certain key staff up to £1.25/hr above the [Real Living Wage](#) (currently £8.45/hr). This process is still ongoing, and as of October 2017 no new remuneration policies have yet been implemented.



Principal Risks and Uncertainties

The Stewards' Circle 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 Stewards' Circle 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) Loss of key staff

Loss of key staff can be problematic for any organisation, but this is particularly difficult for the Foundation as replacing those staff with similarly skilled and experienced people can be challenging in our location due to low salaries. Staff leave for many reasons, but a number of key staff have left, or are in danger of leaving for purely financial reasons. The Trustees and Stewards' Circle are currently exploring policies to allow for an increase the salaries

of key staff with the hope that all staff salaries can be increased to at least the Real Living Wage.

(3) 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 of 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 Stewards' Circle 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.

(4) Loss of income due to market changes including economic downturn

The Charity is very dependent on on-site educational income and, as such, market or macroeconomic changes could have a significant impact on the bottom line. Under the direction of the Stewards' Circle, the Expanding Core Reach Hub is developing a plan for investigating potential new income sources and partnerships to broaden the income base, including online educational offerings, 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 incoming/ (outgoing) resources 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping 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 Charity'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 Charity's auditors are aware of that information.

This report was approved by the Trustees on 24 October 2017 and signed on its behalf by



Mari Hollander
Trustee



Mark Anderson
Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE FINDHORN FOUNDATION

For the year ended 31 January 2017

We have audited the financial statements of the Findhorn Foundation for the year ended 31 January 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheets, the Consolidated Statement of Cash Flows 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".

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.

This report is made solely to the charity's trustees and members as a body in accordance with 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.

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

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 2017 and of the consolidated income and expenditure 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).

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
- 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.

Mazars LLP

Mazars LLP, Chartered Accountants
and Statutory Auditor

Apex 2

97 Haymarket Terrace

Edinburgh

EH12 5HD

26 October 2017

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





FINDHORN FOUNDATION (Charity Number: SC007233)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 January 2017

| | Notes | General Reserve £ | Development Reserve £ | Restricted Funds £ | Total 2017 £ | Total 2016 £ |
|--|-------|----------------------|--------------------------|-----------------------|------------------|------------------|
| Income from: | | | | | | |
| Donations and legacies | | 83,260 | 78,519 | 156,571 | 318,350 | 194,023 |
| Charitable activities | 5 | 1,582,707 | - | - | 1,582,707 | 1,521,400 |
| Other trading activities | | 471,057 | - | - | 471,057 | 463,007 |
| Investments | 4 | 1,950 | - | - | 1,950 | 2,502 |
| Other | 6 | 190,595 | - | - | 190,595 | 221,123 |
| Total | | 2,329,569 | 78,519 | 156,571 | 2,564,659 | 2,402,055 |
| Expenditure on: | | | | | | |
| Raising funds- subsidiary company costs | | 621,327 | - | - | 621,327 | 585,085 |
| Raising funds- charity costs | | 3,676 | - | - | 3,676 | 2,185 |
| Charitable activities | 7 | 1,808,455 | 68,714 | 156,571 | 2,033,740 | 1,866,808 |
| Total | | 2,433,458 | 68,714 | 156,571 | 2,658,743 | 2,454,078 |
| Net (expenditure)/income | 3 | (103,889) | 9,805 | - | (94,084) | (52,023) |
| Transfers between funds | | - | - | - | - | - |
| Net movement in funds | | (103,889) | 9,805 | - | (94,084) | (52,023) |
| Reconciliation of funds | | | | | | |
| Funds brought forward at 1 February 2016 | | 4,908,120 | 175,376 | - | 5,083,496 | 5,135,519 |
| Total funds carried forward | 18 | 4,804,231 | 185,181 | - | 4,989,412 | 5,083,496 |

There were no acquisitions or discontinued operations during the year. The charity had income of £2,118,445 and net expenditure of £83,829.

Analysis of the 2016 figures is shown in note 23.

FINDHORN FOUNDATION (Charity Number: SC007233)

CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 January 2017

| | Notes | Group 2017 £ | Group 2016 £ | Charity 2017 £ | Charity 2016 £ |
|--|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fixed Assets | | | | | |
| Tangible fixed assets | 10 | 4,806,961 | 4,887,341 | 4,237,114 | 4,385,697 |
| Investment property | 11 | - | - | 250,000 | 250,000 |
| Investments | 12 | 83,002 | 83,002 | 448,986 | 459,243 |
| | | <u>4,889,963</u> | <u>4,970,343</u> | <u>4,936,100</u> | <u>5,094,940</u> |
| Current Assets | | | | | |
| Stocks | | 64,529 | 81,970 | 57,256 | 74,694 |
| Debtors | 13 | 155,337 | 200,425 | 107,072 | 151,369 |
| Cash at bank and in hand | | 542,615 | 489,202 | 508,275 | 419,465 |
| | | <u>762,481</u> | <u>771,597</u> | <u>672,603</u> | <u>645,528</u> |
| Creditors: amounts falling due within one year | 14 | <u>(419,670)</u> | <u>(449,453)</u> | <u>(362,617)</u> | <u>(371,903)</u> |
| Net Current Assets | | <u>342,811</u> | <u>322,144</u> | <u>309,986</u> | <u>273,625</u> |
| Total Assets Less Current Liabilities | | <u>5,232,774</u> | <u>5,292,487</u> | <u>5,246,086</u> | <u>5,368,565</u> |
| Creditors: amounts falling due after more than one year | 16 | (222,049) | (185,069) | (156,674) | (185,069) |
| Provisions for liabilities and charges | 17 | (21,313) | (23,922) | - | - |
| Net Assets | | <u><u>4,989,412</u></u> | <u><u>5,083,496</u></u> | <u><u>5,089,412</u></u> | <u><u>5,183,496</u></u> |

FINDHORN FOUNDATION (Charity Number: SC007233)

CONSOLIDATED AND CHARITY BALANCE SHEETS (CONTINUED)

As at 31 January 2017

| | Notes | Group 2017 £ | Group 2016 £ | Charity 2017 £ | Charity 2016 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| <i>Financed by:</i> | | | | | |
| General reserve | 18 | 4,804,231 | 4,908,120 | 4,455,247 | 4,548,879 |
| Development reserve | 18 | 185,181 | 175,376 | 185,181 | 175,376 |
| Investments revaluation reserve | 18 | - | - | 448,984 | 459,241 |
| Restricted funds | 18 | - | - | - | - |
| | | <u>4,989,412</u> | <u>5,083,496</u> | <u>5,089,412</u> | <u>5,183,496</u> |

The financial statements were approved by the Board of Trustees on 24 October 2017 and signed on its behalf by



Mari Hollander
Trustee



Mark Anderson
Trustee

FINDHORN FOUNDATION (Charity Number: SC007233)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 January 2017

| | Notes | Group 2017 £ | Group 2016 £ | Charity 2017 £ | Charity 2016 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| Net cash provided by operating activities | 8 | 271,882 | 167,783 | 175,734 | 140,220 |
| Dividends, interest and rents from investments | | 1,950 | 2,502 | 1,085 | 1,307 |
| Purchase of tangible fixed assets | | (170,624) | (129,391) | (42,560) | (78,185) |
| Proceeds from the sale of tangible fixed assets | | 1,875 | - | 1,875 | - |
| Net cash used in investing activities | | (166,799) | (126,889) | (39,600) | (76,878) |
| Repayments of borrowing | | (27,866) | (12,864) | (27,866) | (27,864) |
| Cash inflows from new borrowing | | - | 11,051 | - | 11,051 |
| Finance costs | | (23,804) | (28,292) | (19,458) | (27,055) |
| Net cash used in financing activities | | (51,670) | (30,105) | (47,324) | (43,868) |
| Cash and cash equivalents at the beginning of the reporting period | | 489,202 | 478,413 | 419,465 | 399,991 |
| Cash and cash equivalents at the end of the reporting period | | 542,615 | 489,202 | 508,275 | 419,465 |
| Change in cash and cash equivalents in the reporting period | | 53,413 | 10,789 | 88,810 | 19,474 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017

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.

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

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

1.1 Consolidated 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 results of the associated undertaking are not consolidated as they are not considered significant.

A separate Statement of Financial Activities is not presented within the consolidated 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 2017 (continued)

1.2 Tangible fixed assets

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 held 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 2017 (continued)

1.8 Reserves

The general reserve consists of amounts received which have yet to be committed or designated to a specific use by the Charity. 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 Statement of Financial Activities.

Expenditure on raising funds – subsidiary company costs relates to the costs of operating a trading company undertaking non-charitable trading activities.

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.

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 reporting 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 Income from Donations and Legacies when the amount is known.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

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 18.

1.16 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Also included is cash equivalents which are highly liquid investments that mature in no more than three months from the date of acquisitions and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.18 Finance Costs

Finance costs are charged to the Statement of Financial Activities over the term of the facility using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated facility.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

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.

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

3. Net (expenditure)/income for the year

| | Group | | Charity | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Net (expenditure)/income arises after charging: | | | | |
| Depreciation of tangible fixed assets: | | | | |
| - Owned | 245,658 | 215,342 | 185,796 | 179,373 |
| Loss on disposal of tangible fixed assets | 3,471 | 1,998 | 3,471 | 1,998 |
| Auditors' remuneration | 12,700 | 12,450 | 9,250 | 9,100 |
| Auditors' remuneration from non-audit work | 5,400 | 15,045 | 2,750 | 11,295 |
| | <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 | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Interest received | 1,950 | 2,502 | 1,084 | 1,195 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

5. Income from charitable activities

| | Group | | Charity | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Core programme course income | 409,210 | 365,235 | 409,210 | 365,235 |
| Workshop course income | 335,960 | 380,730 | 335,960 | 380,730 |
| Conferences and events income | 283,031 | 266,053 | 283,031 | 266,053 |
| Long term income programme | 155,522 | 205,218 | 155,522 | 205,218 |
| Other educational income | 359,955 | 289,122 | 359,955 | 289,122 |
| Grants | 39,029 | 15,042 | 39,029 | 15,042 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | <u>1,582,707</u> | <u>1,521,400</u> | <u>1,582,707</u> | <u>1,521,400</u> |

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

6. Other income

| | Group | | Charity | |
|---------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Rental income | 83,515 | 97,429 | 96,863 | 97,429 |
| Other income | 107,080 | 123,694 | 119,439 | 131,264 |
| | <u>190,595</u> | <u>221,123</u> | <u>216,302</u> | <u>228,693</u> |

7. Expenditure on charitable activities

| | Group | | Charity | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Staffing costs | 682,275 | 626,393 | 682,275 | 626,393 |
| Direct programme costs | 219,086 | 253,082 | 219,086 | 253,082 |
| Projects expenses | 35,055 | 51,793 | 35,055 | 51,793 |
| Development fund expenses | 68,714 | 41,077 | 68,714 | 41,077 |
| Restricted fund expenses | 156,571 | - | 156,571 | - |
| Food and domestic | 245,678 | 266,716 | 245,678 | 266,716 |
| Rent, fuel and maintenance | 260,961 | 182,770 | 430,160 | 332,220 |
| IT and office expenses | 50,342 | 43,571 | 50,342 | 43,571 |
| Marketing | 22,397 | 25,367 | 22,397 | 25,367 |
| Other expenditure | 35,775 | 137,181 | 35,775 | 137,181 |
| Depreciation | 185,979 | 179,373 | 185,979 | 179,373 |
| Loss on sale of fixed assets | 3,471 | 1,998 | 3,471 | 1,998 |
| Finance costs | 23,804 | 28,292 | 19,458 | 27,055 |
| Trading surplus | 17,440 | (3,542) | 17,440 | (3,542) |
| Audit fees | 9,250 | 9,100 | 9,250 | 9,100 |
| Accountancy fees | 8,725 | 11,295 | 8,725 | 11,295 |
| Legal fees | - | 12,342 | - | 12,342 |
| Shop costs | 8,218 | - | 8,218 | - |
| | <u>2,033,741</u> | <u>1,866,808</u> | <u>2,198,594</u> | <u>2,015,021</u> |

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

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

| | Group | | Charity | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Net expenditure for the reporting period | (94,084) | (52,023) | (83,829) | (70,996) |
| Adjustments for: | | | | |
| Depreciation charges and loss/(profit) on the sale of fixed assets | 249,129 | 212,675 | 189,450 | 176,875 |
| Release of investment impairment | - | (10,000) | - | - |
| Dividends, interest and rents from investments | (1,950) | (2,502) | (1,084) | (1,307) |
| Finance costs | 23,804 | 28,292 | 19,458 | 27,055 |
| Increase in stocks | 17,439 | (3,825) | 17,440 | (2,456) |
| Decrease/(increase) in debtors | 45,090 | (47,919) | 44,298 | (32,288) |
| Increase/(decrease) in creditors | 32,454 | 43,085 | (9,999) | 43,337 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided by operating activities | <u>271,882</u> | <u>167,783</u> | <u>175,734</u> | <u>140,220</u> |

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

9. Staff costs

| | Group | | Charity | |
|--------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Wages and salaries | 873,798 | 785,615 | 669,097 | 612,913 |
| National insurance | 26,163 | 26,366 | 13,178 | 13,480 |
| | <u>899,961</u> | <u>811,981</u> | <u>682,275</u> | <u>626,393</u> |

The average number of people employed during the year was 122 (2016 – 119).

Payments to self-employed persons amount to £nil (2016 – £33,000). The average number of people employed during the year was 110 (2016 – 107). Of these 65 (2016 – 64) were paid a staff allowance and 45 (2016 – 43) were salaried.

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

1 trustee, who is an employee, received remuneration totalling £600 (2016 – 2 totalling £4,396) with employers national insurance £nil (2016 – £nil) for work done on behalf of the charity.

1 trustee received payment through self-employment, £1,504 (2016 – 2 totalling £3,498) and 1 trustee received travel and other expenses totalling £19,969 (2016 – £nil).

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

10. Tangible fixed assets

| | Group | | | | | | Total £ |
|------------------------|----------------------------|------------------------|----------------|-----------------------------|-------------------------------|----------------|------------------|
| | Land and Buildings £ | Motor Vehicles £ | Equipment £ | Plant and Machinery £ | Fixtures and Fittings £ | Caravans £ | |
| Cost | | | | | | | |
| At 1 February 2016 | 5,672,136 | 217,146 | 629,438 | 632,313 | 329,964 | 454,899 | 7,935,896 |
| Additions | 10,650 | - | 32,975 | 24,259 | 9,441 | 93,299 | 170,624 |
| Disposals | (6,711) | (3,763) | (766) | - | - | - | (11,240) |
| At 31 January 2017 | <u>5,676,075</u> | <u>213,383</u> | <u>661,647</u> | <u>656,572</u> | <u>339,405</u> | <u>548,198</u> | <u>8,095,280</u> |
| Depreciation | | | | | | | |
| At 1 February 2016 | 1,467,257 | 191,670 | 462,572 | 265,146 | 241,536 | 420,374 | 3,048,555 |
| Charge for the year | 110,605 | 6,822 | 41,458 | 33,414 | 20,522 | 32,837 | 245,658 |
| On disposals | (3,112) | (2,421) | (361) | - | - | - | (5,894) |
| At 31 January 2017 | <u>1,574,750</u> | <u>196,071</u> | <u>503,669</u> | <u>298,560</u> | <u>262,058</u> | <u>453,211</u> | <u>3,288,319</u> |
| Net book values | | | | | | | |
| At 31 January 2017 | <u>4,101,323</u> | <u>17,312</u> | <u>157,978</u> | <u>358,012</u> | <u>77,347</u> | <u>94,987</u> | <u>4,806,961</u> |
| 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> |

Land and buildings is further analysed below.

| | Tenant's Improvements £ | Wind Park £ | Buildings and Caravans £ | Eco-mobile Homes £ | Total £ |
|------------------------|-------------------------------|-------------------|-----------------------------------|--------------------------|------------------|
| Cost | | | | | |
| At 1 February 2016 | 247,786 | 112,290 | 4,763,070 | 548,990 | 5,672,136 |
| Additions | - | - | 10,650 | - | 10,650 |
| Disposals | - | - | (6,711) | - | (6,711) |
| At 31 January 2017 | <u>247,786</u> | <u>112,290</u> | <u>4,767,009</u> | <u>548,990</u> | <u>5,676,075</u> |
| Depreciation | | | | | |
| At 1 February 2016 | 70,214 | 38,710 | 1,153,043 | 205,290 | 1,467,257 |
| Charge for the year | 5,868 | 4,857 | 72,243 | 27,637 | 110,605 |
| Eliminated on disposal | - | - | (3,112) | - | (3,112) |
| At 31 January 2017 | <u>76,082</u> | <u>43,568</u> | <u>1,222,174</u> | <u>232,927</u> | <u>1,574,750</u> |
| Net book values | | | | | |
| At 31 January 2017 | <u>171,704</u> | <u>68,723</u> | <u>3,544,835</u> | <u>316,063</u> | <u>4,101,323</u> |
| At 31 January 2016 | <u>177,572</u> | <u>73,580</u> | <u>3,610,027</u> | <u>343,700</u> | <u>4,204,879</u> |

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

10. Tangible fixed assets (continued)

| | Buildings and Caravans | Eco-mobile homes | Plant and machinery | Charity Tools and equipment | Fixtures and fittings | Motor vehicles | Total |
|------------------------|---------------------------|---------------------|------------------------|-----------------------------------|--------------------------|-------------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | | |
| At 1 February 2016 | 4,613,070 | 548,990 | 578,613 | 575,178 | 297,159 | 217,146 | 6,830,156 |
| Additions | 10,650 | - | 4,035 | 27,875 | - | - | 42,560 |
| Disposals | (6,711) | - | - | (766) | - | (3,763) | (11,240) |
| At 31 January 2017 | <u>4,617,009</u> | <u>548,990</u> | <u>582,648</u> | <u>602,287</u> | <u>297,159</u> | <u>213,383</u> | <u>6,861,476</u> |
| Depreciation | | | | | | | |
| At 1 February 2016 | 1,153,043 | 205,291 | 233,461 | 444,121 | 216,874 | 191,670 | 2,444,460 |
| Charge for the year | 72,243 | 27,637 | 26,347 | 39,684 | 13,063 | 6,822 | 185,796 |
| On disposals | (3,112) | - | - | (361) | - | (2,421) | (5,894) |
| At 31 January 2017 | <u>1,222,174</u> | <u>232,928</u> | <u>259,808</u> | <u>483,444</u> | <u>229,937</u> | <u>196,071</u> | <u>2,624,362</u> |
| Net book values | | | | | | | |
| At 31 January 2017 | <u>3,394,835</u> | <u>316,062</u> | <u>322,840</u> | <u>118,843</u> | <u>67,222</u> | <u>17,312</u> | <u>4,237,114</u> |
| At 31 January 2016 | <u>3,460,027</u> | <u>343,699</u> | <u>345,152</u> | <u>131,057</u> | <u>80,285</u> | <u>25,476</u> | <u>4,385,696</u> |

11. Investment property

| | Group £ | Charity £ |
|--------------------------------------|------------|----------------|
| Valuation | | |
| At 1 February 2016 & 31 January 2017 | <u>-</u> | <u>250,000</u> |
| Net book value | | |
| At 1 February 2016 & 31 January 2017 | <u>-</u> | <u>250,000</u> |

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

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

12. Investments

| Cost | Group | | | At 31/01/17 |
|----------------------------------|----------------|---------------------------------------|--------------------------|----------------|
| | At 31/01/16 | Additions/ release of provision | Disposals/ Repayments | |
| | £ | £ | £ | £ |
| Phoenix Community Stores Limited | 25,001 | - | - | 25,001 |
| Duneland Limited | 11,000 | - | - | 11,000 |
| Ekobay | 1 | - | - | 1 |
| Findhorn Wind Park Limited | 47,000 | - | - | 47,000 |
| | <u>83,002</u> | <u>-</u> | <u>-</u> | <u>83,002</u> |

The investments held by the Group are stated at cost less provision for impairment 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 (2016: £20,000) which is included in the investment in Findhorn Wind Park Limited. 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.

| | |
|-----------------------------|----------------|
| VALUATION | £ |
| At 1 February 2016 | 459,243 |
| Revaluation during the year | (10,257) |
| At 31 January 2017 | <u>448,986</u> |
| NET BOOK VALUE | |
| At 31 January 2017 | <u>448,986</u> |
| At 31 January 2016 | <u>459,243</u> |

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

13. Debtors

| | Group | | Charity | |
|--|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade debtors | 83,362 | 75,976 | 42,535 | 38,569 |
| Amounts owed by related party (note 21) | 3,319 | 940 | 3,319 | 940 |
| Other debtors | 3,985 | 32,619 | - | 25,000 |
| Prepayments and accrued income | 64,671 | 90,890 | 61,218 | 86,860 |
| | <u>155,337</u> | <u>200,425</u> | <u>107,072</u> | <u>151,369</u> |

14. Creditors: amounts falling due within one year

| | Group | | Charity | |
|---|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade creditors | 51,923 | 100,952 | 43,404 | 84,434 |
| Accruals | 61,795 | 59,185 | 42,695 | 28,126 |
| Tax and social security | 9,904 | 8,365 | 6,690 | 3,847 |
| Deferred income | 61,609 | 89,166 | 61,609 | 89,166 |
| Amounts owed to subsidiary undertaking (note 21) | - | - | 10,311 | 21,824 |
| Other creditors | 50,666 | 18,779 | 28,547 | - |
| Interest free loans (note 16) | 15,298 | 15,298 | 15,298 | 15,298 |
| Ekopia loan (note 16) | 14,412 | 28,500 | - | - |
| Savings and Loan Scheme (note 15) | 140,967 | 116,641 | 140,967 | 116,641 |
| Bank loan (note 16) | 13,096 | 12,567 | 13,096 | 12,567 |
| | <u>419,670</u> | <u>449,453</u> | <u>362,617</u> | <u>371,903</u> |

15. 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 and amounts are repayable on demand.

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

16. Creditors: amounts falling due after one year

| | Group | | Charity | |
|---------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Interest free loans | 50,398 | 65,697 | 50,398 | 65,697 |
| Bank loan | 106,276 | 119,372 | 106,276 | 119,372 |
| Ekopia loan | 65,375 | - | - | - |
| | <u>222,049</u> | <u>185,069</u> | <u>156,674</u> | <u>185,069</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. The Ekopia loan is secured by an unregistered security over the property of Traigh Bhan, Iona. It has an interest rate of 4.98%. Repayments are made monthly and repayment concludes in January 2021.

The interest free loan represents a loan provided to the Foundation by one individual, which is due for repayment in full or renegotiation in March 2018, and also a small business loan from the Energy Saving Trust. Repayment instalments are being made monthly towards the small business loan and this is due to be fully repaid in February 2019.

17. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

| | Group | | Charity | |
|--------------------------------|---------------|---------------|----------|----------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Accelerated capital allowances | 34,897 | 23,922 | - | - |
| Tax losses carried forward | (13,584) | - | - | - |
| | <u>21,313</u> | <u>23,922</u> | <u>-</u> | <u>-</u> |

Movements on the provision for deferred taxation are:

| | 2017 | 2016 | 2017 | 2016 |
|---------------------------|---------------|---------------|----------|----------|
| | £ | £ | £ | £ |
| At 1 February 2016 | 23,922 | 20,467 | - | - |
| Charge/(release) for year | (2,609) | 3,455 | - | - |
| | <u>21,313</u> | <u>23,922</u> | <u>-</u> | <u>-</u> |

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

18. Analysis of net assets between funds

| Group | General Reserve | Development Reserve | Total 2017 | Total 2016 |
|--|------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Tangible fixed assets | 4,806,961 | - | 4,806,961 | 4,887,341 |
| Investments | 83,002 | - | 83,002 | 83,002 |
| Cash at bank and in hand | 357,434 | 185,181 | 542,615 | 489,202 |
| Stocks | 64,529 | - | 64,529 | 81,970 |
| Debtors | 155,337 | - | 155,337 | 200,425 |
| Creditors due within one year | (419,670) | - | (419,670) | (449,453) |
| Creditors due in more than one year | (222,049) | - | (222,049) | (185,069) |
| Provisions for liabilities and charges | (21,313) | - | (21,313) | (23,922) |
| | <u>4,804,231</u> | <u>185,181</u> | <u>4,989,412</u> | <u>5,083,496</u> |

| Charity | General Reserve | Development Reserve | Investments Revaluation Reserve | Total 2017 | Total 2016 |
|-------------------------------------|------------------|---------------------|---------------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | 4,237,114 | - | - | 4,237,114 | 4,385,697 |
| Investment property | 250,000 | - | - | 250,000 | 250,000 |
| Investments | 2 | - | 448,984 | 448,986 | 459,243 |
| Cash at bank and in hand | 323,094 | 185,181 | - | 508,275 | 419,465 |
| Stocks | 57,256 | - | - | 57,256 | 74,694 |
| Debtors | 107,072 | - | - | 107,072 | 151,369 |
| Creditors due within one year | (362,617) | - | - | (362,617) | (371,903) |
| Creditors due in more than one year | (156,674) | - | - | (156,674) | (185,069) |
| | <u>4,455,247</u> | <u>185,181</u> | <u>448,984</u> | <u>5,089,412</u> | <u>5,183,496</u> |

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

18. Analysis of net assets between funds (continued)

Purposes of reserves

Investments revaluation reserve

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

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 represents the Sustainable Innovation for Resilient Communities (SIRCle) project which addresses responses to climate and social change through adult education. The Findhorn Foundation receive Erasmus grant funding for this project.

Analysis of Fund Movement:

| | 1 February 2016 | Income | Expenditure | 31 January 2017 |
|---------------------|--------------------|------------------|--------------------|--------------------|
| | £ | £ | £ | £ |
| General Reserve | 4,908,120 | 2,329,569 | (2,433,458) | 4,804,231 |
| Development Reserve | 175,376 | 78,519 | (68,714) | 185,181 |
| Restricted Funds | - | 156,571 | (156,571) | - |
| | <u>5,083,496</u> | <u>2,564,659</u> | <u>(2,658,743)</u> | <u>4,989,412</u> |

19. Contingent liabilities

The Findhorn Foundation has provided a letter of guarantee for Findhorn Foundation College for £50,000 (2016: £30,000). In addition, New Findhorn Directions Limited has borrowed £79,787 (2016: £28,500) from Ekopia Resource Exchange and this loan is guaranteed by the Findhorn Foundation.

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

20. Operating lease commitments

At 31 January 2017, the Findhorn Foundation's total commitments under non-cancellable leases were as follows:

| | Group | | Charity | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Within one year | 18,336 | 13,596 | 4,740 | - |
| Between two and five years | 71,369 | 54,384 | 16,985 | - |
| After five years | 9,064 | 13,596 | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | <u>98,769</u> | <u>81,576</u> | <u>21,725</u> | <u>-</u> |

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 13) at the year-end is a balance of £3,319 (2016 – £940) relating to Findhorn Foundation College, whose board are appointed in conjunction with the Trustees and Management Group of the Findhorn Foundation. During the year, £56,510 (2016 – £42,429) of the income came from the College. Purchase invoices from the college amounted to £1,200 (2016 – £nil) and no donations were given to the College (2016: £15,000) during the year.

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 £18,590 to the Findhorn Foundation in the year ending 31 January 2017 (2016 – £14,540) and owed the Findhorn Foundation £51 (2016 – £2) at the year end.

The subsidiary purchases electricity supplies from Findhorn Wind Park Limited, an associated undertaking, amounting to £148,365 (2016 – £148,013). These transactions were conducted at an open market value. At the year end the company owes Findhorn Wind Park Limited £nil (2016 – £nil).

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

21. Related party transactions (continued)

The subsidiary also provided a loan to Findhorn Wind Park Limited of £20,000 (2016 – £20,000). This loan is unsecured and has no fixed terms of repayment. During the year ending 31 January 2017, interest receivable on this loan amounted to £866 (2016 – £1,307).

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) (2016 – (£4,800)) | £nil (2016 – £nil) |
| Lisette Schuitemaker | Donation | (£79,272) (2016 – (£91,793)) | £nil (2016 – £nil) |
| Mark Anderson | Donation | (£600) (2016 – (£1,400)) | £nil (2016 – £nil) |
| | IT Consultancy | £1,504 (2016 – £1,108) | £99 (2016 – £nil) |
| Clive Kitson | Educational Services | £nil (2016 – £2,390) | £nil (2016 – £nil) |
| Paul Dickinson | Programme Development Expenses | £7,000 (2016 – £nil) | £nil (2016 – £nil) |
| | Travel expenses (on behalf of visiting groups) | £12,969 (2016 – £nil) | £nil (2016 – £nil) |
| | Donation | £nil (2016 – (£35)) | £nil (2016 – £nil) |
| Francine Rietberg | Staff allowance | £600 (2016 – £nil) | £nil (2016 – £nil) |
| Helen Wildsmith | Course income | (£900) (2016 – £nil) | £nil (2016 – £nil) |
| | Donation | (£200) (2016 – £nil) | £nil (2016 – £nil) |
| Kathy Tyler | Travel expenses | £nil (2016 – £nil) | £nil (2016 – £nil) |

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

FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017 (continued)

22. Ultimate controlling party

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

23. Comparative statement of financial activities

| | General Reserve | Development Reserve | Property Revaluation Reserve | Restricted Funds | Total 2016 |
|--|------------------|---------------------|------------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations and legacies | 87,390 | 106,633 | - | - | 194,023 |
| Charitable activities | 1,521,400 | - | - | - | 1,521,400 |
| Other trading activities | 463,007 | - | - | - | 463,007 |
| Investments | 2,502 | - | - | - | 2,502 |
| Other | 221,123 | - | - | - | 221,123 |
| | <u>2,295,422</u> | <u>106,633</u> | <u>-</u> | <u>-</u> | <u>2,402,055</u> |
| Expenditure on: | | | | | |
| Raising funds – subsidiary company costs | 585,085 | - | - | - | 585,085 |
| Raising funds – charity costs | 2,185 | - | - | - | 2,185 |
| Charitable activities | 1,825,737 | 41,071 | - | - | 1,866,808 |
| Total | <u>2,413,007</u> | <u>41,071</u> | <u>-</u> | <u>-</u> | <u>2,454,078</u> |
| Net income | (117,585) | 65,562 | - | - | (52,023) |
| Transfers between funds | 2,029,075 | - | (1,914,351) | (114,724) | - |
| Other recognised gains/(losses) | | | | | |
| Gains on revaluation of fixed assets | - | - | - | - | - |
| Net movement in funds | 1,911,490 | 65,562 | (1,914,351) | (114,724) | (52,023) |
| Reconciliation of funds | | | | | |
| Funds brought forward at 1 February 2015 | <u>2,996,630</u> | <u>109,813</u> | <u>1,914,351</u> | <u>114,724</u> | <u>5,135,519</u> |
| Total funds carried forward | <u>4,908,120</u> | <u>175,376</u> | <u>-</u> | <u>-</u> | <u>5,083,496</u> |



FINDHORN
FOUNDATION

TRANSFORMING HUMAN CONSCIOUSNESS IN EVERYDAY LIFE

findhorn.org



Findhorn Foundation, The Park, Findhorn, Forres, IV36 3TZ
Scottish Charity Number SC007233

