



FINDHORN  
FOUNDATION

*transforming human consciousness in everyday life*

ANNUAL REPORT  
AND FINANCIAL STATEMENTS



# Findhorn Foundation

## TRUSTEES

Kathy Tyler • *appointed Chair 17 November 2018*

Roger Collis

Paul Dickinson

Mark Anderson

Nicola Coombe

Helen Wildsmith

Francine Rietberg

Lisette Schuitemaker • *Chair - resigned 17 November 2018*

Mari Hollander • *resigned 10 May 2018*

## THE STEWARDS' CIRCLE

Camilla Bredal Pedersen • *Chair Expanding Core Reach Hub - resigned November 2018*

Caroline Matters • *Spiritual & Personal Development • Deputy Chair Thriving Whole Hub - appointed Chair November 2018*

Rossana Bonanno • *Living Core Hub*

Gabrielle Buist • *Expanding Core Reach Hub - resigned August 2019*

Adele Napier • *Living Core Hub - resigned June 2018*

Martin Roche-Nishimori • *Finance Thriving Whole Hub - resigned September 2019*

Joanne Pender • *Thriving Whole Hub - resigned December 2018*

Iris Toister • *Thriving Whole Hub - appointed August 2018*

Jamie Jackson • *Living Core Hub - appointed February 2019*

Sasha Angus • *Expanding Core Reach Hub - appointed May 2019*

Simon Stedman • *Finance Thriving Whole Hub - appointed August 2019*

Annual Report and Financial Statements year end 31 January 2019

## 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 1AB



“One of the most fulfilling few days of my whole professional life. The conversations and friendships that developed were so meaningful. A magical space to discuss issues never truly covered before.”

**DANIELA CAROSIO**

SENIOR PARTNER, SUSTAINABLE VALUE INVESTORS



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## Dear Friends,

The Findhorn Foundation is in its 57th year! Our dynamic experiment continues as a hundred co-workers, scores of volunteers and hundreds of guests engage with everyday life guided by the inner voice of spirit as they co-create with the intelligence of nature and take inspired action towards our individual and collective visions of a better world.

I feel deep gratitude and appreciation for the thousands of you who have dedicated your hearts and lives to brighten this point of light on our planet over these many years. And I give special thanks to Lisette Schuitemaker, former chair of the board of trustees, former Lead Steward Camilla Bredal Pedersen and the Stewards' who spearheaded the recent change process as they pass the baton to the next leadership team.

Our annual report for the year ending 31 January 2019 summarises the Foundation's activities, results and plans for the future. While we posted an operational deficit, our overall condition is good as we consolidate the change process re-organization, implement the 2016-2021 holistic business plan and build new initiatives for culture shift, new structure thinking and long-term asset development.

We live in a demanding moment. We are all being called to step into greater self-responsibility and use our spiritual light to support human and planetary transformation. By caring for ourselves, our community and our Foundation we care for the world. The trustees and I thank all the visitors, program participants, co-workers, guest presenters, volunteers, community members, Findhorn fellows, resource people, families, donors and kindred spirits for shining their light on our mutual endeavor.

**KATHY TYLER**

Chair of Trustees



# Findhorn Foundation Trustees' Report

FOR THE YEAR ENDED 31 JANUARY 2019

The Trustees present their report and the financial statements for the year ended 31 January 2019. This report is prepared in accordance with the recommendations of the Charities Statement of Recommended Practice (FRS 102) and complies with applicable law.

## OBJECTIVES & 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 discover and realise new possibilities in their life and in the world.

## GUEST PROGRAMMES & REACH

In 2018, the Foundation hosted more than 2,000 participants from 61 different countries in workshops, special events and conferences, and over 1,000 people participated in non-residential programmes and tours, gaining perspectives and tools to make positive changes whilst applying spiritual and ecological principles in daily life.

Throughout the year, the Foundation held a range of workshops, from the regularly offered introductory

programme Experience Week to follow-on programmes which engage our guests more fully in the life of our spiritual community. The Foundation also hosted dozens of workshops and special events on spirituality, sustainability and the healing arts.

Two social inclusion programmes ran this year with participants from the local Moray area. The thirteenth Youth Empowerment Programme ran April to June 2018 with 14 at-risk young people. After running for seven years funding for this programme has ended and we are looking into other ways of providing similar services to local youth. The Findhorn Bay Care Farm is now in its third year and continued to attract local adults with learning disabilities, autism or Aspergers.

The Foundation is represented throughout the world by a dedicated network of supporters: 165 Resource People based in 34 countries who offer Findhorn style events and build community locally. The Findhorn Fellows, now numbering 156, are all prominent thinkers and authors who share inspiration through their networks, cultivate partnerships with other transformational movements, and offer us their expertise and informed perspectives.

IN 2018, WE PROUDLY HOSTED:



## *Strengthening Structures*

Operationally, the Foundation is organized as three hubs, each focusing its operations on a different aspect of our purpose.

Throughout the 2018/2019 financial year, each of the hubs have been holding their own focus for enlivening organisational structures, making decisions, relating to guests and interacting with the world around the Foundation. Strategic directions, compliance mandates, upgraded practices and staff trainings are co-created and integrated into the work of the relevant hubs, under the leadership of the Stewards' Circle.

### *Living Core Hub*

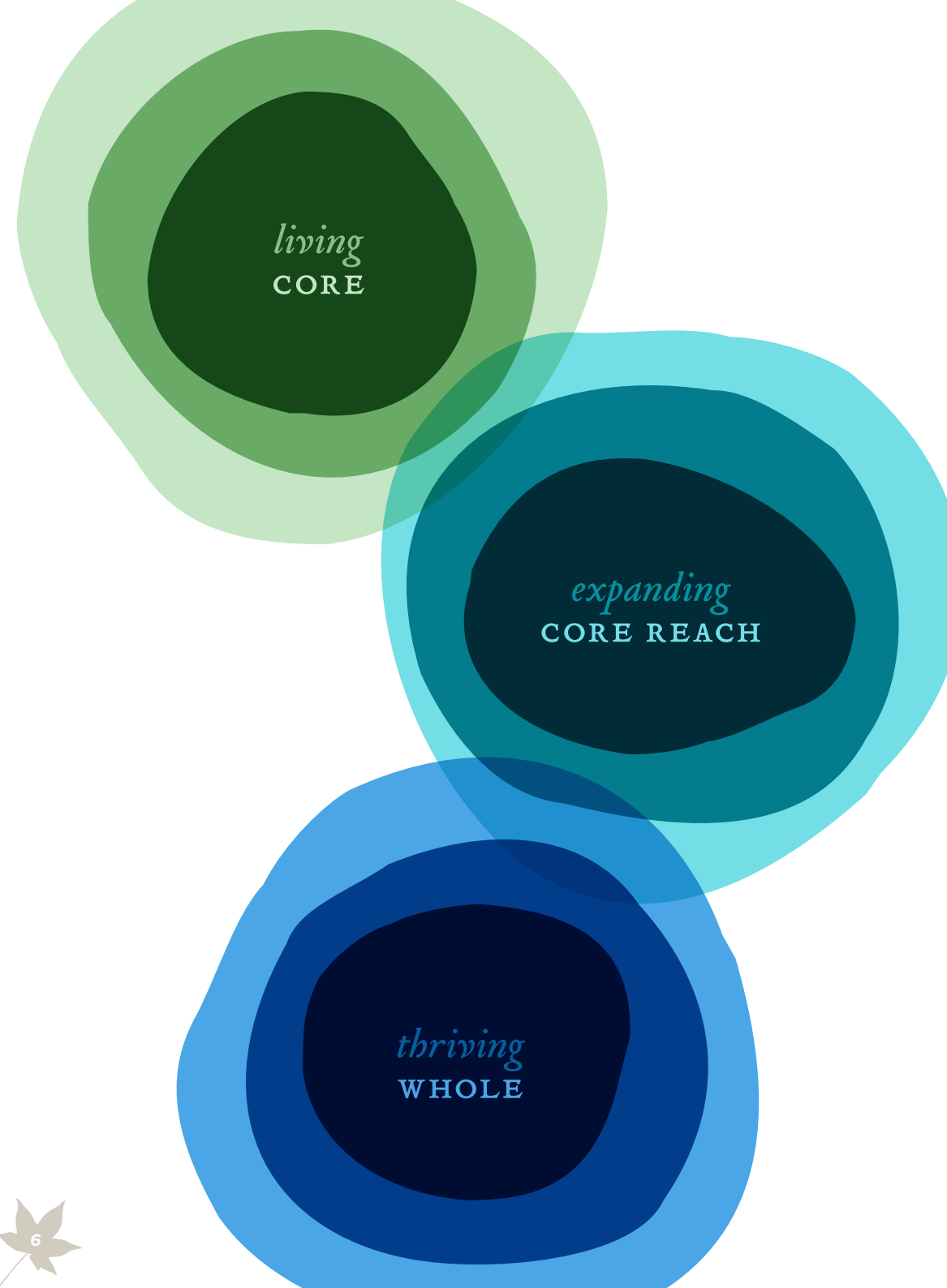
creates a living, learning, working environment (place, culture, programmes) that supports personal and planetary transformation for programme participants, guests, and co-workers.

### *Expanding Core Reach Hub*

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

### *Thriving Whole Hub*

supports the well-being, effectiveness and joy of the people, structures and functions of the Findhorn Foundation.

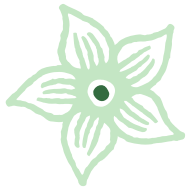


## Our Mission



TRANSFORMING  
*human consciousness*  
IN EVERYDAY LIFE  
*to bring new possibilities*  
INTO THE WORLD

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



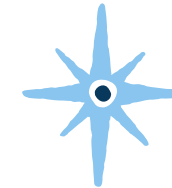
### CO-CREATION WITH *nature*

We shape our future in partnership  
with the other beings,  
physical and non-physical,  
that share this world and all life with us.



### WORK IS *love in action*

Everything we do,  
we aim to do with love.



### INNER *listening*

Everyone can connect  
with the divine spark  
of universal intelligence by openly,  
quietly turning within.



## Our Community

The Foundation is part of a growing community of like-minded people and over 50 affiliated businesses and charitable organisations located within our region.

The Findhorn Foundation has facilities and accommodation at four sites in Scotland: The Park ecovillage, near the village of Findhorn; Cluny Hill, a restored Victorian hotel in the town of Forres; Traigh Bhan, a retreat house on the Isle of Iona; and a caretaker's lease on the former lighthouse keeper's station on the Isle of Erraid, near Iona and off the Ross of Mull.

These venues give us a range of settings for learning offerings that demonstrate and pioneer transformational approaches to sustainability and spirituality. We aim for holistic approaches that can integrate four key aspects of regeneration: spiritual, social, environmental and economic.

Through shared spiritual and communal engagement, we provide participants and co-workers ways to bring their whole selves to practices such as food production, eco-housing, ecological sewage treatment and renewable energy projects.

Throughout the year, our regular newsletters, inspirational messages and social media platforms connect us to a community of thousands of people around the world who share our vision of transforming human consciousness in everyday life to bring new possibilities into the world.







## *Links to the United Nations and the Sustainable Development Goals*

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 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-New York.

Through various learning programmes and activities, including the Foundation's Ecovillage Experience Week and the College's Permaculture Design Course and Ecovillage Design education, the Findhorn Foundation is actively supporting the UN Sustainable Development Goals. These global goals, also known as Agenda 2030, are the most ambitious attempt ever to transform our world: a universal call to action agreed on in 2015 by 193 governments and backed by leading businesses and civil society organisations.

In 2018, 20 years after it was first honoured, the Findhorn Ecovillage Project was re-designated a UN-Habitat Best Practice and features in a UN database as one of the solutions to the common social, economic and environmental problems.

The Findhorn Foundation charitable trust at the heart of the community and ecovillage will continue to serve as a beacon of hope for a better world, and to develop the capacity to respond to the spiritual and environmental needs of our time in line with the UN sustainable development goals.

As part of our working support of the UN's Sustainable Development Goals we have set in motion the following projects:

- We have increased our pricing structure to offset participants' carbon emissions. By 2020 we aim to offset the average air miles of each participant.
- We are offsetting the carbon emissions of our business miles every year.
- We actively encourage all those visiting the Findhorn Foundation to offset their carbon emissions through the Park Ecovillage Trust (PET).
- We continue to work on 11 other areas of sustainability, including biodiversity, water, value chain, plastics avoidance, forestry and more.

# Partner Organisations

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

For related party transactions, please see note 21 in the Financial Statement.



Wholly owned subsidiary that carries out non-charitable trading activities for the Foundation. Provides accommodation, infrastructure and other site services in the context of the Park Ecovillage, and operates the Findhorn Bay Holiday Park.



Offers certified transformative courses in ecological design, facilitation, wellbeing and language skills. Hosts study and research visits. Implements research projects on renewable energy, social science and holistic education in partnership with the universities of Heriot Watt and Strathclyde.



Universal Hall, Findhorn

Presents dance, theatre, music and films in the Universal Hall at The Park. Shows well attended by locals. Valued addition to Moray cultural life. Receives financial support from Creative Scotland and local donors.



Leading-edge provider of sustainability education. Curriculum draws on good practice within ecovillages worldwide. Runs live and remote initiatives including online course on designing for sustainability.



## The Foundation is a member of:



Worldwide network of sustainable communities and initiatives, based in Findhorn.



Strengthens collaboration among holistic centres worldwide that support personal and spiritual growth and serve the evolution of a conscious and sustainable world.



NEW FINDHORN ASSOCIATION

Coordinating body for the local community in which the Findhorn Foundation sits. Coordinates the activities of a growing and diverse membership.



Assists social enterprises to become more sustainable in relation to a triple bottom line for people, prosperity and planet.



UNITED NATIONS ASSOCIATION - UK

The country's foremost advocate for UK action at the UN; the UK's leading source of analysis on the UN; and a vibrant grassroots movement of 20,000 people from all walks of life.

# New Organisational Initiatives in 2018-2019

## TRANSFORMATIONAL LEARNING STRATEGY

The Trustees and Stewards' supported a six-month project ending in May 2019 to articulate a coherent strategy for the Transformational Learning activities within the next three year period.

The Transformational Learning Centre project grew out of the Findhorn Foundation change process and represents a further unfolding of some specific aims and directions previously set in the Holistic Business Plan. Equally, it is a response to a set of challenges impacting the external programming aspect of Findhorn Foundation at this time.

## NEW ERA GOVERNANCE

The representative and sociocratically elected Governance Systems Circle is mandated to research, explore and develop governance structures that bring cohesion and participation to the Findhorn Foundation.

In 2019, the Circle held the Collective Organizational Development Experiment in which collectively defined topics were moved forward in focus groups and within a carefully designed container providing training and support. The topics were:

**WHOLE SYSTEM REVIEW** – developing a protocol for reviewing decisions with the aim to establish a culture of experimentation and evaluation

**SPIRITUAL ACTIVISM** – creating an overview of existing and possible ways of engaging with the non-physical entities and energies to influence local and global situations

**MANIFESTING INFRASTRUCTURE** – using the practice of attunement to deepen into relationship with the land to derive plans for essential new buildings at The Park

**INTERNAL COMMUNICATION AND TRANSPARENCY** – evaluating, simplifying and redesigning the current collective meeting structure in order to improve information sharing and connection between coworkers at all levels

**DECISION MAKING** – experimenting with developing transparent, effective decision making strategies while designing a process of consultation for the new employee handbook

**PLANET CARE** – creating a planet care strategy and a food policy for the Findhorn Foundation to live up to the vision: “Through living with strong commitment and ethos we demonstrate planet care to our visitors and the world.”

“The Findhorn Ecovillage continues to play a role as a research and development centre for carbon-constrained life-styles, providing solutions to human and social needs, protecting the environment and offering an enhanced quality of life for all.”

**MAY EAST**  
UNITAR FELLOW



# Learning Activities

Our coworkers 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 community meetings, we seek to bring inner awareness, presence and connection with the wholeness of life. As in previous years, we shared this way of being with our many visitors and workshop participants, both in the programme content we offered and by giving guests an opportunity to participate in the life and work of the community.

Most weeks in the year we offer our main introductory programme Experience Week, which in 2018 was also held 12 times in seven languages other than English, as well as versions offered for whole families, for teenagers and special themed weeks with an LGBT+, music or eco focus.

## 90% SATISFACTION & VALUE FOR MONEY

Our guest programmes consistently receive over 90% approval for overall satisfaction and value for money, with most guests stating that they would recommend it to their friends and family.

There are a wide array of other learning programmes on offer every year at the Findhorn Foundation.

### LEAP EDUCATION

Leap is the current incarnation of the Findhorn Foundation staff intake programme and has been running for eight years. Whilst also serving as a standalone programme, it is the vehicle by which new staff members are introduced within the Foundation. In 2018, 18 people participated in our Long Term Leap programme which runs twice a year.

In 2018 a review of the Leap programme was completed and identified the need for a new intake programme titled Leading from the Core. This new intensive programme, with a projected start date set for Autumn 2020, will focus on holistic leadership within the framework of our three founding principles and will be a prerequisite to Leap. The existing Leap learning content will be adjusted to focus on a deepening of topics introduced during the new programme.

### FINDHORN LIVE

Available since November 2017, Findhorn Live offers live-streamed events and a video-on-demand library of footage from our main events and conferences. In 2018 Findhorn Live organised two free live-streamed events that attracted 1535 viewers and two paid-for events, which garnered 244 subscribers.

Thanks to the enthusiastic engagement of John Clausen and the generous financial support of the Hygeia Foundation, the Findhorn Talks program is expanding. The program presents inspiring talks from leading thinkers and activists, and offers a series of over 30 talks for free viewing on YouTube.





## BUILDING BRIDGES

In 2018 our Building Bridges team continued to develop partnerships and design unique experiences for a wide diversity of groups. The wide range of Building Bridges activities included a Zen meditation retreat, a programme in partnership with Action for Children for local care experienced young people, a Visit Scotland group of international journalists, and residential programmes for students from Italy.

As part of our Building Bridges outreach strategy, the Findhorn International Centre for Sustainability (FICS) ran nine programmes, attracting 160 participants from the business and NGO sectors to programmes such as Authentic Investor, Climate Finance, Water Security Forum, Sustainable Development Goal-related Financial Disclosure and the Findhorn International Forum on Sustainability. In these programmes change-makers and thought leaders are supported on a personal level, creating strong collaboration on projects that bring institutional and structural change.

In September 2018, FICS piloted Spirited Business, convened by Jarvis Smith, founder of MyGreenPod, and Jayn Sterland, Managing Director, Weleda UK, supported by Lord Stone of Blackheath, former Managing Director, Marks & Spencer. Spirited Business will run again in September, 2019 along with an exciting new programme, Leading from the Future (July 2019), convened by ex-chair of Findhorn Foundation Trustees, Robin Alfred. In response to requests from FICS alumni, the FICS team held an inaugural gathering in London in November 2018, The 33 attendees attested to the powerful effect of FICS programmes on both the personal and professional lives of members of the business community.

## FINDHORN BAY CARE FARM

This programme provides a meaningful, creative and fun day service for adults with learning disabilities, autism or Aspergers. Through the creation of a healthy work structure in our community gardens, the programme builds participants' confidence and helps to develop their social and practical skills.

# Investing in Our Future

Picking up on impulses which came out of the Foundation's 2018 Co-Creative Spirituality conference, Stewards' and Trustees have been increasingly aware of the need to strengthen the core of the Findhorn Foundation.

A greater emphasis on core programs is called for and the Foundation's physical infrastructure needs to better reflect the aspirations of an ecologically sustainable community. Simply put, there is an intention for the Foundation to do more in the coming decade to walk its talk with its buildings.

## FUNDRAISING FOR NEW GUEST ACCOMMODATION

In May 2019, the Foundation launched an initiative to develop new guest accommodation. Community engagement, meditations and the practice of attunement are being used to create building concepts that express the evolving spiritual impulse and ecological values of the Foundation. Arboreal Architecture's award-winning eco-architect Tom Raymont, who grew up in the Findhorn Community, is leading the project. The intention is for the new guest accommodation to be an outstanding expression of both the Foundation's core spiritual values and its commitment to ecological responsibility.

This is the first of a number of initiatives that are being worked on to remove old, energy inefficient structures and replace them with state of the art buildings. In order to resource this development the intention is to draw together a fundraising team to raise the finances for this ambitious program.

## AFFORDABLE HOUSING AT THE PARK

For many years NFD has provided affordable accommodation in The Park by re-using caravans no longer needed by the Holiday Park. Although it has long aspired to provide higher quality affordable housing, resources were not available to build new units. In 2018 New Findhorn Directions was awarded a grant of over £530k from the Scottish Government's Rural Housing Fund to support the construction of eight new high-quality affordable housing units.

Planning permission for the units has been received, and the units will be constructed during 2020 with an expected completion in early 2021 thanks to a partnership with the Foundation, which is providing the land, and Ekopia Social Investments Ltd, which is providing additional financing.



# Financial Review

There was net expenditure for the year of -£119k (2017/18 net income £214k).

There was an overall net deficit for the year after tax of -£135k. The charity itself recorded a net deficit of -£203k. The overall net worth thus decreased by 3% to £5.07 million. This compares to an overall surplus of £214k in the previous year.

There was an overall decrease in income for the year of 11.6% to £2.75 million (£3.1m 2017/18) due to a reduction in donations received of £183k compared to last year and a drop of £154k (9%) in income from learning programmes. Trading activities undertaken by New Findhorn Directions Ltd returned a net profit of £35k during the year compared to £15k last year.

Overall costs decreased during the year by 1% despite an increase of 14.8% in the cost of staffing brought about by rise in the proportion of staff members being paid on a non-residential basis, an increase in the UK National Minimum Wage and a small additional increase to improve staff remuneration.

The financial sustainability of the Foundation is currently dependent to a large extent on providing programmes that require participants to travel, often over long distances. 80% of income is currently derived from courses. With the increasing consciousness of eco-sustainability and awareness of the impact of travel, this dependence is seen as a cause for concern. The Stewards' Circle has been working to develop an online platform which is seen as being a potential source of future income that is less reliant on participants travelling to Scotland. However, even this will not address the significant financial challenges facing the Foundation needed to bring guest, office and co-worker accommodation up to modern eco-sustainable standards and to enable staff to be appropriately compensated for the contribution they make. The Foundation sits within, and is foundational to, an intentional eco-community. It also sets out to be a place of transformational learning for students and co-workers. A fund-raising strategy is therefore being developed to provide a much needed additional source of funds for capital investment to enable the Foundation to walk its talk with greater authenticity.

A triple bottom line accounting system is being developed to incorporate people, planet and prosperity with huge effort being placed on collecting and collating data from multiple sources, particularly regarding the consumption of energy and the source of that energy. Once the Foundation is in a position to publish that data with confidence in its accuracy, the triple bottom line accounting system will be included within this report and published online.

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.

During the year to 31st January 2020 the Foundation sold one property (Santiago) and purchased one property (Savitiri), both in the Park in order to increase the provision of guest accommodation and provide an additional workshop venue. A profit on the sale of Santiago (the difference between the depreciated value in the accounts and the sale value) was £132k and this will be reported in the accounts for the year to 31st January 2020.

## RESERVES POLICY

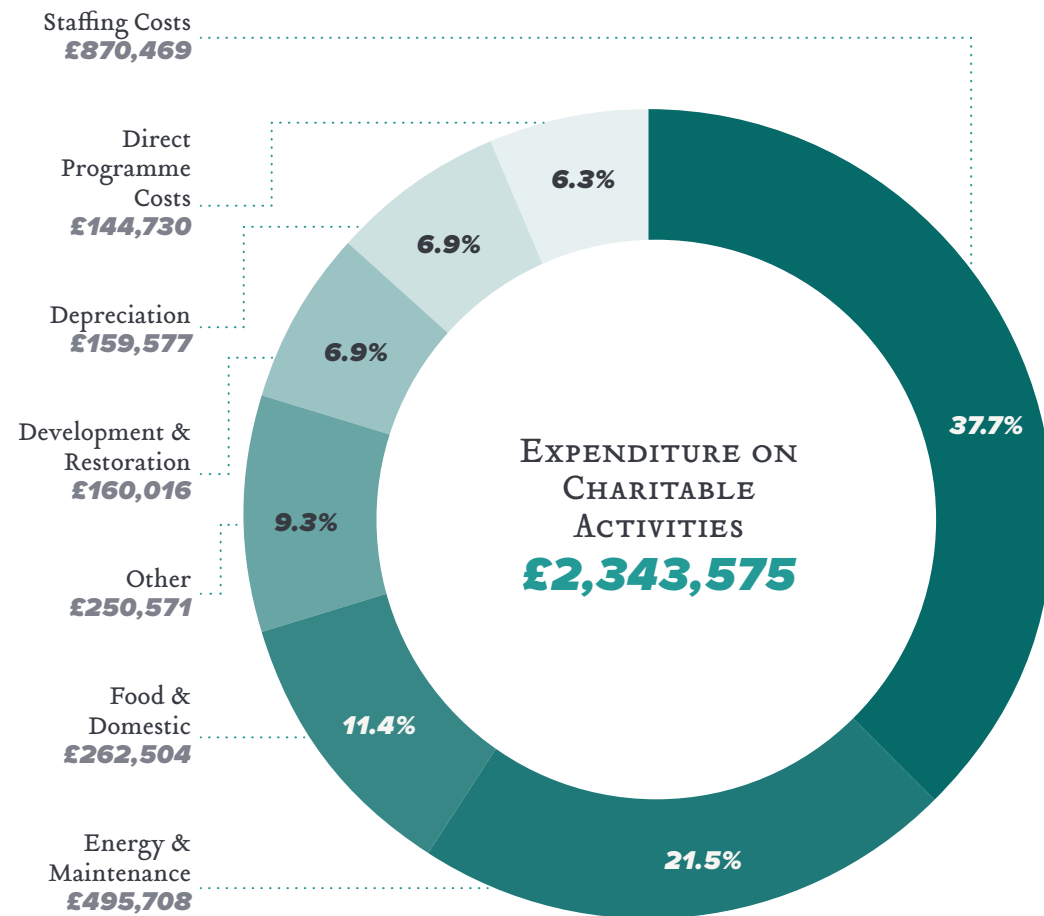
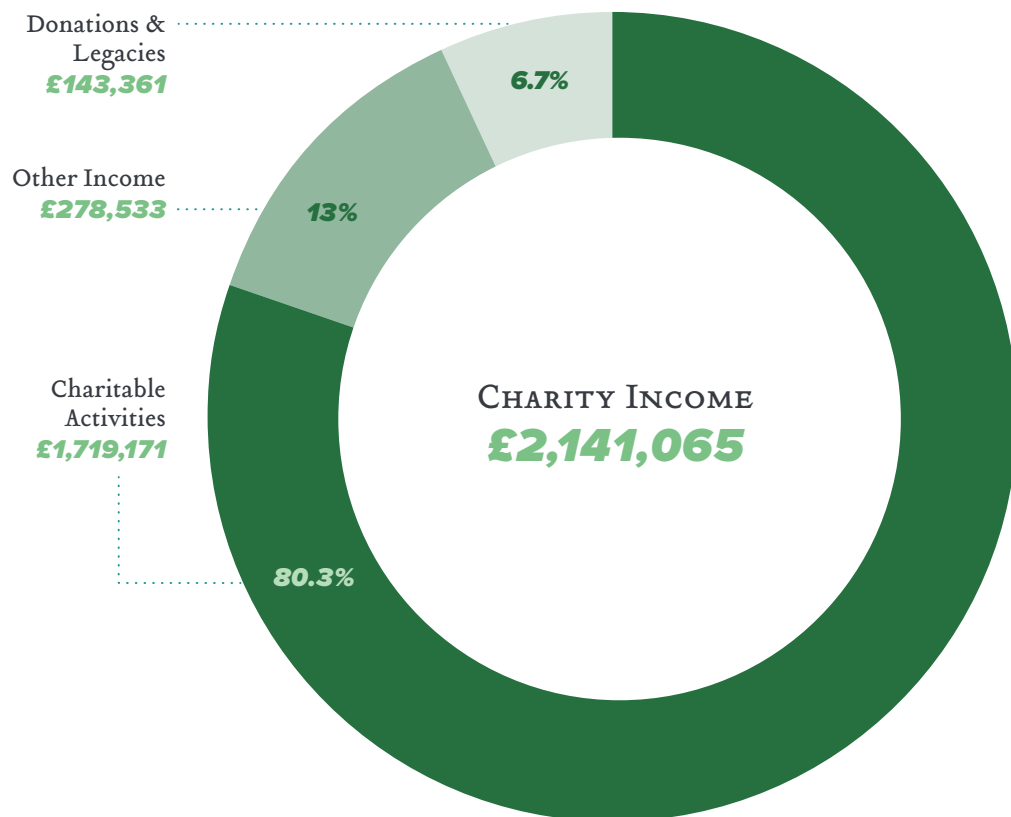
The Foundation's Financial Reserves Policy calls for sufficient cash available from bank deposits and/or overdraft facilities to cover the fixed element of four months' operational expenditure excluding depreciation. This policy was adopted by the Trustees in May 2013, and is reviewed at regular intervals, 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.



# Income and Expenditure



# Structure, Governance & 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 four-year terms, though sometimes, where trustees bring exceptional value to the Foundation, they may be asked to serve longer.

## 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, Lead Steward, relevant managers and others within the organisation.

## ORGANISATIONAL STRUCTURE

The Board of Trustees has overall responsibility for managing the charity and appoints the Lead Steward 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. Further informal meetings are arranged if deemed necessary. A Finance Committee meets at least four 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

The Foundation currently employs about 107 staff (full time & part time), of which 51 are full time residential and 56 are non-residential. Non-Residential staff receive 25p/hour above National Living Wage. Residential staff receive what is deemed equivalent to this in food, lodging and a stipend of £260/month. Key leadership positions are remunerated up to £2.20/hr above the base rate for non-residential staff and £65/month for residential staff above our standard staff rate. We hope to raise the pay for all staff to the Real Living Wage or beyond over the next five years. The ratio between the lowest and the highest paid employee of the Foundation does not exceed the present limit of 1 to 1.3.

# Principal Risks & Uncertainties

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

## 1 COSTS INCREASING FASTER THAN INCOME

Certain charity costs have increased significantly in recent years. Staff costs, in particular, have risen in recent years and this trend is likely to continue. The government recently indicated its intention to increase the National Living Wage to £10.50/hr (£8.21/hr since April 2019), and Trustees hope that all staff will be paid at least the Real Living Wage (£9.00/hr since November 2018), which will further increase staffing costs.

Although in recent years income has kept pace with these increases, the net loss for 2018/19 shows that the Foundation is still vulnerable in this area. Work continues to grow our income - in particular with a reworking of our learning program strategy.

## 2 POTENTIALLY MORE RESTRICTIVE VISA CONTROLS, INCLUDING BREXIT IMPLICATIONS

The majority 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 have the potential to reduce our education income, and restrictions on non-UK nationals remaining and working in the UK could reduce the size and diversity of the pool of potential co-workers.

The Stewards' Circle is closely monitoring these issues and is doing what it can to align learning programmes with planned or potential visa legislation changes, as well as developing online learning options and strengthening partnerships with local organisations.

## 3 INSUFFICIENT STAFF WITH KEY SKILLS

It continues to be challenging to recruit staff for certain roles and a number of key positions, such as human resources and fundraising, are currently unfilled. The risks associated with this are varied - from loss of opportunity in fundraising activities, to increased costs from having to contract external experts, to increased chance of processes not being properly implemented - and while Trustees believe that the most important areas are covered, the lack of skilled staff across various areas does expose the Foundation to a greater level of risk overall.

This risk is being addressed in particular by restructuring recruitment processes, which has already started to deliver positive results.

# 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 4 November 2019 and signed on its behalf by

MARK ANDERSON, *Trustee*

FRANCINE RIETBERG, *Trustee*

# Independent Auditors' Report to the Trustees FOR THE YEAR ENDED 31 JANUARY 2019

## OPINION

We have audited the financial statements of The Findhorn Foundation (the 'Charity') for the year ended 31 January 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Statement of Financial Positions, the Consolidated and Charity Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

## IN OUR OPINION, THE FINANCIAL STATEMENTS:

- give a true and fair view of the state of the Consolidated and Charity's affairs as at 31 January 2019 and of its 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).

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant

to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## THE IMPACT OF UNCERTAINTIES DUE TO THE UNITED KINGDOM EXITING THE EUROPEAN UNION ON OUR AUDIT

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and the Charity's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the group and the Charity as part of our audit procedures, applying a standard firm-wide approach in response to the uncertainty associated with the Group's and the Charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Charity and this is particularly the case in relation to Brexit.

## CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our auditors report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINION ON OTHER MATTERS

In light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities and Trustees Investment (Scotland)

Act 2005 and the Charities (Accounts and Reports) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees'

Responsibilities set out on page 20, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1) of the Charities and Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report. This description forms part of our auditor's report.

## USE OF THE AUDIT REPORT

Our audit work has been undertaken so that we might state to the charitable company's Directors those matters we are required to state to them in an Auditors' 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 charitable company and its Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD  
6 November 2019

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

THE FINDHORN FOUNDATION (Charity Number: SC007233)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 January 2019

Notes	General Reserve £	Designated Reserve £	Restricted Reserve £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
	143,361	-	-	143,361	87,103
Donations and legacies					
Charitable activities	4 1,547,931	50,567	117,234	1,715,732	2,088,684
Other trading activities	616,688	-	-	616,688	725,181
Investments	5 1,591	-	-	1,591	925
Other	6 272,656	-	-	272,656	207,766
<b>Total</b>	<b>2,582,227</b>	<b>50,567</b>	<b>117,234</b>	<b>2,750,028</b>	<b>3,109,659</b>
<b>Expenditure on:</b>					
Raising funds- subsidiary company costs	739,586	-	-	739,586	838,581
Raising funds- charity costs	10,336	-	-	10,336	6,089
Charitable activities	7 1,959,072	49,629	110,387	2,119,088	2,050,686
<b>Total</b>	<b>2,708,994</b>	<b>49,629</b>	<b>110,387</b>	<b>2,869,010</b>	<b>2,895,356</b>
<b>Net (expenditure)/income</b>	<b>3 (126,767)</b>	<b>938</b>	<b>6,847</b>	<b>(118,982)</b>	<b>214,303</b>
<b>Tax expense</b>	<b>(15,588)</b>	<b>-</b>	<b>-</b>	<b>(15,588)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(142,355)</b>	<b>938</b>	<b>6,847</b>	<b>(134,570)</b>	<b>214,303</b>
<b>Reconciliation of funds</b>					
Funds brought forward	4,804,240	399,475	-	5,203,715	4,989,412
<b>Total funds carried forward</b>	<b>18 4,661,885</b>	<b>400,413</b>	<b>6,847</b>	<b>5,069,145</b>	<b>5,203,715</b>

Analysis of the 2018 figures is shown in note 23.

The notes on pages 25 to 34 form part of these financial statements.

THE FINDHORN FOUNDATION (Charity Number: SC007233)

CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION

As at 31 January 2019

Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Fixed Assets</b>				
Tangible fixed assets	10 4,690,331	4,762,768	4,289,855	4,343,871
Investments	11 83,001	83,001	494,848	459,686
	4,773,332	4,845,769	4,784,703	4,803,557
<b>Current Assets</b>				
Stocks	32,924	57,252	32,924	57,252
Debtors	12 177,265	188,582	126,050	135,335
Cash and cash equivalents	13 867,867	771,979	703,352	704,799
	1,078,056	1,017,813	862,326	897,386
<b>Creditors: amounts falling due within one year</b>	<b>14 (714,702)</b>	<b>(484,231)</b>	<b>(610,662)</b>	<b>(393,134)</b>
<b>Net Current Assets</b>	<b>363,354</b>	<b>533,582</b>	<b>251,664</b>	<b>504,252</b>
<b>Total Assets Less Current Liabilities</b>	<b>5,136,686</b>	<b>5,379,351</b>	<b>5,036,367</b>	<b>5,307,809</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>16 (34,310)</b>	<b>(154,323)</b>	<b>-</b>	<b>(104,094)</b>
Provisions for liabilities and charges	17 (33,231)	(21,313)	-	-
<b>Net Assets</b>	<b>5,069,145</b>	<b>5,203,715</b>	<b>5,036,367</b>	<b>5,203,715</b>

CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION  
(CONTINUED)

As at 31 January 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<i>Financed by:</i>					
<b>General reserve</b>	18	4,661,885	4,804,240	4,134,259	4,344,554
<b>Designated reserve</b>	18	400,413	399,475	400,413	399,475
<b>Investments revaluation reserve</b>	18	-	-	494,848	459,686
<b>Restricted reserve</b>	18	6,847	-	6,847	-
		<u>5,069,145</u>	<u>5,203,715</u>	<u>5,036,367</u>	<u>5,203,715</u>

The financial statements were approved by the Board of Trustees on 4 November 2019 and signed on its behalf by

**Mark Anderson**  
Trustee

**Francine Rietberg**  
Trustee

The notes on pages 25 to 34 form part of these financial statements.

CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS

For the year ended 31 January 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Net cash provided by operating activities</b>	8	<u>252,335</u>	<u>447,082</u>	<u>141,008</u>	<u>352,159</u>
Interest received		1,591	925	883	525
Purchase of tangible fixed assets		(135,848)	(163,115)	(109,777)	(121,969)
<b>Net cash used in investing activities</b>		<u>(134,257)</u>	<u>(162,190)</u>	<u>(108,894)</u>	<u>(121,444)</u>
Net repayments of borrowing		10,873	(27,492)	(3,504)	(6,155)
Finance costs		(33,062)	(28,036)	(30,057)	(28,036)
<b>Net cash used in financing activities</b>		<u>(22,189)</u>	<u>(55,528)</u>	<u>(33,561)</u>	<u>(34,191)</u>
Net Movement in cash		<u>95,888</u>	<u>229,364</u>	<u>(1,447)</u>	<u>196,524</u>
Change in cash and cash equivalents in the reporting period		95,888	229,364	(1,447)	196,524
Cash and cash equivalents at the beginning of the reporting period		771,979	542,615	704,799	508,275
Cash and cash equivalents at the end of the reporting period		<u>867,867</u>	<u>771,979</u>	<u>703,352</u>	<u>704,799</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019

**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 Charity has elected to early adopt the Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland Triennial Review 2018 incremental improvements and clarifications (the “triennial review 2018 amendments”), which would otherwise have been effective for periods beginning on or after 1 January 2019.

On adoption of the triennial review 2018 amendments the Charity has elected to reclassify its investment property that is rented to its subsidiary undertaking from investment property to tangible fixed assets, and to apply the cost model in accordance with FRS 102 Section 17 Property, Plant and Equipment. Further, the Charity has elected to apply the transitional provisions set out in FRS 102 para 1.19(a) and use the previous value of the investment property as its deemed cost, as at the date of transition to the triennial review 2018 amendments.

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 financial statements have been prepared on a going concern basis as there are no material uncertainties about the organisation's abilities to continue its operations.

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 Statement of Financial Position, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

**1.2 Tangible fixed assets**

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

Land and Buildings	- 2% straight line
Eco-mobile homes	- 7% - 10% 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. The unlisted investments held by the subsidiary, New Findhorn Directions, are stated at historic cost less impairment as the market value of the investments cannot be reliably determined and therefore unable to be stated at market value.

**1.6 Stocks**

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

**1.7 Reserves**

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

**1.8 Income**

The main source of income is received from programmes, workshops and conferences run by the Charity. These are included within income in the year it relates. Any income received prior to the event is deferred.

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

**1.9 Interest income**

Interest income is recognised in the Statement of Financial Activities using the effective interest rate.

**1.10 Residuary legacies**

Legacies are included in Income from Donations and Legacies when the amount is known.

**1.11 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.

**1.12 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.

**1.13 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

**1.14 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.

**1.15 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 and cash equivalents**

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.

**1.19 Pensions**

The Charity contributes to employees' personal pension schemes, and the contributions are charged to the Statement of Financial activities when paid.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (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.

3. Net (expenditure)/income for the year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Net (expenditure)/income arises after charging:				
Depreciation of tangible fixed assets:				
- Owned	204,070	207,320	159,577	161,626
Loss on disposal of tangible fixed assets	4,215	3,590	4,215	3,590
Auditors' remuneration	12,700	12,700	8,350	8,350
Auditors' remuneration from non-audit work	6,205	5,400	2,750	2,750
	<u>227,190</u>	<u>236,710</u>	<u>175,342</u>	<u>179,066</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

4. Income from charitable activities

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
<b>Unrestricted</b>				
Core programme course income	403,137	453,443	403,137	453,443
Workshop course income	299,170	374,180	299,170	374,180
Conferences and events income	215,967	172,881	215,967	172,881
Long term income programme	144,535	194,124	144,535	194,124
Other learning income	386,251	411,119	449,690	437,208
Grants	38,871	74,997	38,871	74,997
<b>Designated</b>				
Designated income	50,567	315,260	50,567	315,260
<b>Restricted</b>				
Restricted income	177,234	92,680	117,234	92,680
	<u>1,715,732</u>	<u>2,088,684</u>	<u>1,719,171</u>	<u>2,114,773</u>

5. Income from investments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Interest received	1,591	925	883	525
	<u>1,591</u>	<u>925</u>	<u>883</u>	<u>525</u>

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

6. Other income

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Rental income	103,234	89,691	116,734	101,131
Grant income	17,222	-	-	-
Sundry income	152,200	118,075	160,916	118,075
	<u>272,656</u>	<u>207,766</u>	<u>277,650</u>	<u>219,206</u>

7. Expenditure on charitable activities

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Staffing costs	870,469	758,493	870,469	758,493
Direct programme costs	144,730	204,370	144,730	204,370
Projects expenses	20,555	31,395	49,629	100,964
Restricted fund expenses	60,387	100,966	110,387	92,680
Development fund expenses	49,629	92,680	20,555	31,395
Food and domestic	262,504	248,510	262,504	248,510
Rent, fuel and maintenance	331,480	279,688	494,208	444,560
IT and office expenses	48,908	49,315	48,908	49,315
Marketing	19,078	18,045	19,078	18,045
Other expenditure	70,989	51,424	70,989	51,426
Depreciation	159,577	161,626	159,577	161,626
Loss on sale of tangible fixed assets	4,213	3,590	4,213	3,590
Finance costs	30,057	31,679	30,057	28,036
Trading surplus	24,330	-	24,330	-
Audit fees	10,030	9,250	8,350	8,350
Accountancy fees	5,210	5,150	6,890	6,050
Shop costs	6,942	4,505	6,865	4,505
	<u>2,119,088</u>	<u>2,050,686</u>	<u>2,331,739</u>	<u>2,211,915</u>

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

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

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Net (expenditure)/income for the reporting period	(134,570)	214,303	(202,510)	214,305
Adjustments for:				
Depreciation charges and loss on the sale of tangible fixed assets	208,285	207,320	163,790	165,213
Decrease in stocks	24,328	7,277	24,328	4
Decrease/(increase) in debtors	9,716	(33,245)	9,288	(28,263)
Increase/(decrease) in creditors	13,105	24,316	116,938	(5,213)
Interest income	(1,591)	(925)	(883)	(525)
Loan interest paid	33,062	28,036	30,057	28,036
Net cash provided by operating activities	<u>252,535</u>	<u>447,082</u>	<u>141,008</u>	<u>352,159</u>

9. Staff costs

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	1,073,812	944,163	843,101	736,050
National insurance	40,287	35,226	24,151	19,953
Pensions	4,965	2,490	3,217	2,490
	<u>1,119,064</u>	<u>981,879</u>	<u>870,469</u>	<u>758,493</u>

The average number of people employed during the year was 129 (2018 - 112). Of these 58 (2018 - 67) were paid a staff allowance and 53 (2018 - 45) were salaried.

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

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

10. Tangible fixed assets

	Group						Total £
	Land and Buildings £	Vehicles £	Equipment £	Plant and Machinery £	Fixtures and Fittings £	Caravans £	
<b>Cost</b>							
At 1 February 2018	5,075,237	60,317	319,875	696,618	248,918	548,198	6,949,163
Additions	34,966	5,900	58,444	5,668	30,879	-	135,857
Disposals	(1,855)	(9,094)	(1,589)	-	-	-	(12,538)
At 31 January 2019	5,108,348	57,123	376,730	702,286	279,797	548,198	7,072,482
<b>Depreciation</b>							
At 1 February 2018	1,058,667	38,839	183,261	331,624	104,101	469,919	2,186,411
Charge for the year	102,506	5,812	28,299	31,748	19,686	16,011	204,062
On disposals	-	(7,438)	(884)	-	-	-	(8,322)
At 31 January 2019	1,161,173	37,213	210,676	363,372	123,787	485,930	2,382,151
<b>Net book values</b>							
At 31 January 2019	3,947,175	19,910	166,054	338,914	156,001	62,269	4,690,331
At 31 January 2018	4,016,570	21,478	136,614	364,994	144,817	78,291	4,762,768

Land and buildings is further analysed below.

	Tenant's Improvements £	Wind Park £	Land and Buildings £	Eco-mobile Homes £	Total £
<b>Cost</b>					
At 1 February 2018	247,786	114,279	4,271,675	441,497	5,075,237
Additions	483	18,092	16,391	-	34,966
Disposals	-	-	(1,855)	-	(1,855)
At 31 January 2019	248,269	132,371	4,286,211	441,497	5,108,348
<b>Depreciation</b>					
At 1 February 2018	81,607	48,475	777,801	150,784	1,058,667
Charge for the year	5,187	5,436	68,633	23,250	102,506
Eliminated on disposal	-	-	-	-	-
At 31 January 2019	86,794	53,911	846,434	174,034	1,161,173
<b>Net book values</b>					
At 31 January 2019	161,475	78,460	3,439,777	267,463	3,947,175
At 31 January 2018	166,179	65,804	3,493,874	290,713	4,016,570

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

10. Tangible fixed assets (continued)

	Charity						Total £
	Buildings and caravans £	Eco-mobile homes £	Plant and machinery £	Tools and equipment £	Fixtures and fittings £	Motor vehicles £	
<b>Cost</b>							
At 1 February 2018	4,271,676	441,497	488,149	298,374	154,196	60,317	5,714,209
Additions	16,391	-	-	57,612	29,874	5,900	109,777
Disposals	(1,855)	-	-	(1,589)	-	(9,094)	(12,538)
At 31 January 2019	4,286,212	441,497	488,149	354,397	184,070	57,123	5,811,448
<b>Depreciation</b>							
At 1 February 2018	777,802	150,784	177,483	161,127	58,303	38,840	1,364,339
Charge for the year	68,633	23,250	22,947	26,647	12,288	5,811	159,576
On disposals	-	-	-	(884)	-	(7,438)	(8,322)
At 31 January 2019	846,435	174,034	200,430	186,890	70,591	37,213	1,515,593
<b>Net book values</b>							
At 31 January 2019	3,439,777	267,463	287,719	167,507	113,479	19,910	4,295,855
At 31 January 2018	3,493,874	290,713	310,666	131,247	95,893	21,478	4,343,871

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

11. Investments

Cost	Group			At 31/01/19
	At 31/01/18	Additions/ release of provision	Disposals/ Repayments	
	£	£	£	£
Phoenix Findhorn CIC	25,001	-	-	25,001
Duneland Limited	11,000	-	-	11,000
Findhorn Wind Park Limited	47,000	-	-	47,000
	<u>83,001</u>	<u>-</u>	<u>-</u>	<u>83,001</u>

The investments held by the group are held by the subsidiary, New Findhorn Directions Limited.

Phoenix Findhorn CIC and Duneland Limited are investments in unlisted companies whose market value cannot be reliably determined and as such these investments are held at historic cost less impairment.

The investment in Findhorn Wind Park Limited is made up of a loan balance £20,000 and £27,000 of investment. The investment is in an unlisted company and the market value cannot be reliably determined therefore the investment is held at historic cost less impairment. The investment is a 33.3% holding and is therefore considered to be an associate 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 2018	459,686
Revaluation during the year	35,162
At 31 January 2019	<u>494,848</u>
<b>NET BOOK VALUE</b>	
At 31 January 2019	<u>494,848</u>
At 31 January 2018	<u>459,686</u>

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

12. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	61,074	64,177	6,872	22,888
Amounts owed by related parties (Note 21)	5,176	377	13,266	377
Other debtors	32,146	31,859	27,042	23,354
Prepayments and accrued income	78,869	92,169	78,869	88,716
	<u>177,265</u>	<u>188,582</u>	<u>126,049</u>	<u>135,335</u>

13. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>867,867</u>	<u>771,979</u>

14. Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	97,878	61,456	35,914	15,460
Accruals	46,875	40,196	40,775	34,096
Tax and social security	3,931	7,085	3,391	4,170
Deferred income	146,464	75,496	146,646	75,496
Amounts owed to subsidiary undertaking (Note 21)	-	-	18,484	10,264
Other creditors	80,253	69,066	42,068	37,862
Interest free loans (Note 16)	13,416	40,983	13,415	40,983
Ekopia loan (Note 16)	15,918	15,146	-	-
Savings and loan scheme (Note 15)	217,188	161,189	217,190	161,189
Bank loan (Note 16)	92,779	13,614	92,682	13,614
	<u>714,702</u>	<u>484,231</u>	<u>610,565</u>	<u>393,134</u>

Deferred income includes monies received in advance of the relevant events.

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

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.

16. Creditors: amounts falling due after one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Interest free loan	-	11,416	-	11,416
Bank loan	-	92,678	-	92,678
Ekopia loan	34,310	50,229	-	-
	<u>34,310</u>	<u>154,323</u>	<u>-</u>	<u>104,094</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 loans represent a loan provided to the Foundation by one individual, which was due for repayment in full or renegotiation in March 2019, and also a small business loan from the Energy Saving Trust.

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

17. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Accelerated capital allowances	33,253	4,897	-	-
Tax losses carried forward	(22)	16,416	-	-
	<u>33,231</u>	<u>21,313</u>	<u>-</u>	<u>-</u>
Movements on the provision for deferred taxation are:				
	2019	2018	2019	2018
	£	£	£	£
At 1 February 2018	21,313	23,922	-	-
Charge/(release) for year	11,918	(2,609)	-	-
	<u>33,231</u>	<u>21,313</u>	<u>-</u>	<u>-</u>

18. Analysis of net assets between funds

Group	General Reserve	Designated Reserve	Restricted Reserve	Total 2019	Total 2018
	£	£	£	£	£
Tangible fixed assets	4,690,331	-	-	4,690,331	4,762,768
Investments	83,001	-	-	83,001	83,001
Cash at bank and in hand	460,607	400,413	6,847	867,867	771,979
Stocks	32,924	-	-	32,924	57,252
Debtors	177,265	-	-	177,265	188,582
Creditors due within one year	(714,702)	-	-	(714,702)	(484,231)
Creditors due in more than one year	(34,310)	-	-	(34,310)	(154,323)
Provisions for liabilities and charges	(33,231)	-	-	(33,231)	(21,313)
	<u>4,661,885</u>	<u>400,413</u>	<u>6,847</u>	<u>5,069,145</u>	<u>5,203,715</u>

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

18. Analysis of net assets between funds (continued)

Charity	General Reserve	Designated Reserve	Investments Revaluation Reserve	Restricted Reserve	Total 2019	Total 2018
	£	£	£	£	£	£
Tangible fixed assets	4,289,855	-	-	-	4,289,855	4,442,871
Investments	-	-	494,848	-	494,848	459,686
Cash at bank and in hand	296,092	400,413	-	6,847	703,352	704,799
Other net current liabilities	(451,688)	-	-	-	(451,688)	(200,547)
Long term liabilities	-	-	-	-	-	(104,094)
	<u>4,134,259</u>	<u>400,413</u>	<u>494,848</u>	<u>6,847</u>	<u>5,036,367</u>	<u>5,203,715</u>

Purposes of reserves

Investments revaluation reserve

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

Designated reserve

This represents amounts received donor for and allocated by management for a specific development projects.

General reserve

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

Restricted Funds

This represents monies received to provide a range of targeted activities.

THE FINDHORN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

18. Analysis of net assets between funds (continued)

Analysis of Fund Movement:

	1 February 2018	Income	Expenditure	31 January 2019
	£	£	£	£
General Reserve	4,804,240	2,582,227	(2,724,582)	4,661,885
Designated Reserve	399,475	50,567	(49,629)	400,413
Restricted Reserve	-	117,234	(110,387)	6,847
	<u>5,203,715</u>	<u>2,750,028</u>	<u>(2,884,598)</u>	<u>5,069,145</u>

19. Contingent liabilities

The Findhorn Foundation has provided a letter of guarantee for Findhorn Foundation College for £50,000 (2018: £50,000). In addition, New Findhorn Directions Limited has borrowed £50,228 (2018: £65,375) from Ekopia Resource Exchange and this loan is guaranteed by The Findhorn Foundation.

20. Operating lease commitments

At 31 January 2019 The Findhorn Foundation's total commitments under non-cancellable leases were as follows:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Within one year	18,088	18,336	4,740	4,740
Between two and five years	40,875	66,629	7,505	12,245
After five years	-	9,064	-	-
Total	<u>58,963</u>	<u>94,029</u>	<u>12,245</u>	<u>16,985</u>



## THE FINDHORN FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

#### 21. Related party transactions

During the year, The Findhorn Foundation made sales to its subsidiary, New Findhorn Directions Limited, of £23,631 (2018 - £26,089) and made purchases of £164,228 (2018 - £164,827). At the reporting date, The Findhorn Foundation owed its subsidiary £18,484 (2018 - £10,264).

Included in debtors (Note 12) at the year-end is a balance of £12,154 (2018 - £337) relating to Findhorn Foundation College, whose board are appointed in conjunction with the Trustees and Management Group of The Findhorn Foundation. During the year, £109,851 (2018 - £68,544) of the income came from the College. Purchase invoices from the college amounted to £290 (2018 - £nil) and no donations were given to the College (2018: £nil) during the year.

The Universal Hall Ltd 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. The Universal Hall Ltd paid £29,863 to The Findhorn Foundation in the year ending 31 January 2019 (2018 - £18,241) and owed The Findhorn Foundation £420 (2018 - £8) at the reporting date.

New Findhorn Directions Limited purchases electricity supplies from Findhorn Wind Park Limited, an associated undertaking, amounting to £182,393 (2018 - £167,025). These transactions were conducted at an open market value. At the reporting date the Company owes Findhorn Wind Park Limited £24,315 (2018 - £3,000).

The subsidiary also provided a loan to Findhorn Wind Park Limited of £20,000 (2018 - £20,000). This loan is unsecured and has no fixed terms of repayment. During the year ending 31 January 2019, interest receivable on this loan amounted to £708 (2018 - £400).

## THE FINDHORN FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

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

During the year there were the undernoted transactions at arm's length with the Trustees and businesses associated with them. Not all travel costs are claimed by Trustees.

		Received/Paid £	Outstanding at year end £
Mari Hollander	Rent	1,600 (2018 - 4,800)	nil (2018 - nil)
Lisette Schuitemaker	Donation	50,000 (2018 - 283,010)	nil (2018 - nil)
	Course income	560 (2018 - 695)	nil (2018 - nil)
Mark Anderson	Donation	nil (2018 - 100)	nil (2018 - nil)
	IT Consultancy	211 (2018 - 1,744)	211 (2018 - 1,128)
Paul Dickinson	Travel expenses (on behalf of a visiting group)	nil (2018 - 8,000)	nil (2018 - nil)
	Course income	nil (2018 - 3,067)	nil (2018 - nil)
	Reimbursement of marketing expenses	nil (2018 - 5,000)	nil (2018 - nil)
Francine Rietberg	Staff allowance	(2,840) (2018 - 2,640)	nil (2018 - nil)
Helen Wildsmith	Course Income	895 (2018 - 2,085)	nil (2018 - nil)
	Donation	900 (2018 - 6,000)	nil (2018 - nil)
Kathy Tyler	Travel Expenses	(3,326) (2018 - 1,644)	nil (2018 - nil)
	Consultation	nil (2018 - 100)	nil (2018 - nil)
Roger Collis	Donation	50 (2018 - 460)	nil (2018 - nil)
	Travel expenses	(1,409) (2018 - 1,287)	nil (2018 - nil)
Nicola Coombe	Travel expenses	(308) (2018 - 127)	nil (2018 - nil)

## THE FINDHORN FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (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	Designated Reserve	Restricted Reserve	Total 2018
	£	£	£	£
<b>Income from:</b>				
Donations and legacies	87,103	-	-	87,103
Charitable activities	1,680,744	315,260	92,680	2,088,684
Other trading activities	725,181	-	-	725,181
Investments	925	-	-	925
Other	207,766	-	-	207,766
<b>Total</b>	<b>2,701,719</b>	<b>315,260</b>	<b>92,680</b>	<b>3,109,659</b>
<b>Expenditure on:</b>				
Raising funds – subsidiary company costs	838,581	-	-	838,581
Raising funds – Charity costs	6,089	-	-	6,089
Charitable activities	1,857,040	100,966	92,680	2,033,740
<b>Total</b>	<b>2,701,710</b>	<b>100,966</b>	<b>92,680</b>	<b>2,878,410</b>
<b>Net (expenditure)/ income</b>	<b>9</b>	<b>214,294</b>	<b>-</b>	<b>214,303</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>9</b>	<b>214,294</b>	<b>-</b>	<b>214,303</b>
<b>Reconciliation of funds</b>				
Funds brought forward	4,804,231	185,181	-	4,989,412
<b>Total funds carried forward</b>	<b>4,804,240</b>	<b>399,475</b>	<b>-</b>	<b>5,203,715</b>

## THE FINDHORN FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2019 (continued)

#### 24. Charity only Statement of Financial Activities

	General Reserves	Designated Reserves	Investments Revaluation Reserve	Restricted Funds	Total 2019
	£	£	£	£	£
<b>Income from:</b>					
Donations and legacies	143,361	-	-	-	143,361
Investment income	883	-	-	-	883
Charitable activities	1,551,370	50,567	-	117,234	1,719,171
Other income	277,650	-	-	-	277,650
<b>Total</b>	<b>1,973,264</b>	<b>50,567</b>	<b>-</b>	<b>117,234</b>	<b>2,141,065</b>
<b>Expenditure on:</b>					
Charitable activities	2,173,223	49,629	-	110,387	2,333,239
Voluntary income	10,336	-	-	-	10,336
<b>Total</b>	<b>2,183,559</b>	<b>49,629</b>	<b>-</b>	<b>110,387</b>	<b>2,343,575</b>
<b>Net income/(expenditure)</b>	<b>(210,295)</b>	<b>938</b>	<b>-</b>	<b>6,847</b>	<b>(202,510)</b>
Transfers between funds	-	-	-	-	-
Unrealised gains	-	-	35,162	-	35,162
<b>Net movement in funds</b>	<b>(210,295)</b>	<b>938</b>	<b>35,162</b>	<b>6,847</b>	<b>(167,348)</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 1/2/18	4,344,554	399,475	459,686	-	5,203,715
<b>Total funds carried forward</b>	<b>4,134,259</b>	<b>400,413</b>	<b>494,848</b>	<b>6,847</b>	<b>5,036,367</b>



FINDHORN  
FOUNDATION

*We are incredibly grateful for all your support.* We depend on voluntary donations, including gifts in wills, to help build a positive, sustainable future for the world.

[findhorn.org](https://findhorn.org)



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