

Charity Registration No. SC003442 (Scotland)

Co-operative and Community Benefit Society Number SP2066R(S)

FRIENDS OF THE EARTH (SCOTLAND) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

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FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

Statement

One of the most enjoyable tasks asked of the Chair of FOES is to write a review of the year for the annual accounts. Working through the Director's reports, Campaign updates, social media posts and newsletters, it is a privilege to read and reflect on the important successes that our staff, volunteers, funders and board have achieved. In 2019, the overall themes seem to be that we have won much more than we lost. We have led policy makers further than they wanted to go and into areas their political instincts wanted them to avoid. We have also had to re-win battles, as the Enemies of the Earth, with their deep pockets, picked themselves off the floor. Picking highlights is not particularly easy; the team does hard work, more importantly its does difficult work, and more importantly still, it successfully does difficult work in vital areas. I hope that what follows shows this.

Air Quality

It has long been recognised that one of the reasons action on climate change has been so lacking is that the effects are distant, abstract and difficult to sense. This is not the case for Air Quality where we know people die early and live worse lives because of the pollution governments allow in the most important resource for life.

Much of our focus on this killer component of pollution has been around the Transport Bill that passed in 2019. Within this, FoES led on three fronts. The first was Low Emission Zones. LEZs are not an easy battle but one where we have not won yet, but are winning. Glasgow's ambition have now improved, Edinburgh's still needs to get better (despite exciting work elsewhere on the city centre transformation) but Dundee's looks like they will be closer to what we think they need to be.

The second is buses. In legislative terms, significant support for buses has been forthcoming, with, for example, the Government amending its own legislation, after pressures, to allow local authorities to set-up arms length bus companies, similar to Transport for Edinburgh.

The final area of our work and the most controversial was including Work Place Levies in the Transport Bill. As board chair, I welcome this controversy as it provides an important reminder that difficult choices need to be made and we cannot solve the climate crisis without causing some 'pain' to those engaged in high carbon activities. Emissions from cars and transport continue to grow, measures are needed so that the easier, cheaper, more convenient default is not driving your car. Instead, the defaults becomes using well-funded, frequent public or moving to active transport. Sometimes tipping that balance will involve some stick as well as carrot.

Unconventional Fossil Fuels

We won this, right? Well yes, but battles whilst not exactly raging on, continue in the form of minor engagements to which we must continue to pay attention. That the extraction of all unconventional fossil fuels has not been banned in Scotland, permanently, is mainly because our opponents have very deep pockets and refuse to understand that they have been beaten. It is also down to the Scottish Government not accepting the legal advice we obtained (and publicised) from Aidan O'Neill QC, stating that the Scottish Government / Parliament *could* legislate to ban fracking. Instead, they continue, as in many things to take a very cautious approach with additional consultations, consultations that continue to show the same thing: Scotland does not want nor need fracking.

So overall, our assessment of the situation is that this issue will continue to drag on for many years. We remain ready to stamp on this particular pest whenever it rears its oily head, and we will continue to hold together the coalition needed to ensure any change of government does not herald a change of policy.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Climate Bill

We saw this Bill progress through all its stages and as it progressed, FoES were integral in many of the improvements. We campaigned hard to increase its level of ambition and, at what seemed to be the last minute, the 70% interim 2030 target was improved to 75% with a net zero target set for 2045, five years ahead of the UK Government's ambition. As the Director commented, better but still not good enough. The headlines focused on the headline figures... but missed other important elements we had worked hard on such as: The Bill now contains requirements to take advice on the full impact of emissions from aviation, recognition of the importance of 1.5°C, the need to set an environmentally fair & safe budget and contains Just Transition principles. The hard work of how to achieve this will be set out in the updated Climate Change Plan expected out in Spring 2020.

Just transition

We know that within the oil and gas industry, the communities and families currently dependent on it for their livelihoods must not be abandoned as we transition to a low carbon economy. They must not individually pay the price for the system that is causing the problem. 2019 therefore saw FoES undertake significant work leading the debate on creating a Just Transition. Whilst being disappointed not to have a direct voice on the Scottish Government's Just Transition Commission, we were able to help two of our partners in the Just Transition Partnership secure seats (STUC and WWF). We then spent the year working to influence the Government and Commission. For example by attending the Scottish Government Just Transition event at COP24 in Katowice or launching, at Holyrood, our report 'Sea Change: Climate Emergency, Jobs and Managing the Phase out of UK Oil and Gas Extraction'.

Considerable work has gone into trying to enshrine the principles of Just Transition in to key legislation, for example at Stage 2 of the Climate Change Bill we won some important amendments enshrining such principles. In addition, we have worked with civil servants to amend the Scottish National Investment Bank Bill so that the Bank's funding is directed towards delivering our legally binding climate targets by way of a Just Transition.

Part of this influence has been via training and building a wider coalition of voices. An example of our success here was Young Friends of the Earth Scotland hosting a 3-day, international Just Transition youth training event with participants from Scotland and Norway

Divestment

Attacking the fossil fuel industry where it really hurts them, in their pockets, means continuing to try and cut off their sources of funding via our Divestment campaign. Nearly 20 MSPs made pledges supporting a new Divest Scotland Campaign, in part to lead divestment in the Scottish National Investment Bank and MSPs' pensions. This work was supported by a divestment-themed edition of 'What on Earth', the 2019 Summer Weekender and successfully seeking continued funding for this campaign.

Young Friends of the Earth

2019 was also another big year for Young Friends of the Earth, who spoke at the climate rally in April, supported the school strikes, liaised with Extinction Rebellion and took part in Glasgow Council climate emergency working group. The Campaign Organisers programme also got off to a start, with 19 participants selected from across Scotland.

Other campaigns and activities

Whilst these campaigns and movement building activities might feel like the largest victories, the remarkable breadth of FoES' impacts was also seen as we: strengthened our capacity on the Circular Economy in preparation for the Circular Economy Bill, successfully raised funding through Scottish Environment LINK, primarily from the Joseph Rowntree Charitable Trust, for an Environmental Rights Centre for Scotland and attended COP 25 in Madrid. We also found out that COP 26 would be in Glasgow so the 2020 Chair's report, beyond reporting on how FoES have continued to lead climate action in Scotland and guiding the Scottish Government to be braver, will contain news of our impact to the crucial summit.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

And thank you

All this work, success, setbacks, steps forward and 'wins' that aren't quite wins yet, comes from people, commitment, clever ideas, knowing how to wield a carrot and how to wield a stick and the lubricant provided by money. So thank you for whatever you put in - your most precious resource - time, your effort, your ideas or your money. Thank you.

Hopefully, in more than one place in the short report you feel particularly proud and happy at what you and we have achieved. To our donors, from the smallest one off payment to the large grants from organisation such as the Joseph Rowntree Charitable Trust, the Leet Hill Trust and the People's Postcode Lottery, thank you for providing generous funding in difficult times.

In early 2020 the global COVID-19 pandemic started. The main operational impact on the organisation was a change to working from home. As the 2020 budget is a prudent one, with grant funding received or confirmed at this stage, there is no impact on cashflow. The organisation does not hold investments and is protected from a down turn of the markets. In agreement with a funder and to protect the project objectives one staff member was furloughed.

The FoES Management team undertook scenario planning for the areas of campaigning, fundraising and operations which are reviewed on a regular basis. So far FoES planning was ahead of developments. Current remote working arrangements are established and provide operational flexibility.

For fundraising the main risks identified were that funders would reprioritise their focus away from climate and environmental work. This could lead to current projects not to receive continuity funding or new funding, potentially resulting in redundancies. FoES is in communication with all our current funders with positive feedback. A drop in membership in numbers and donations poses a risk to core income which will be mitigated by a focus on retention of current members as well as recruitment of new.

Finally, I would like to say thank you to the board and in particular the staff, for their incredible work over the last year. It's not just that we are lucky to have them, it's that Scotland is lucky to have them too.

Professor Iain Black

Chairperson

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Why we exist and what we do

Friends of the Earth Scotland exists to campaign, with partners here and across the globe, for a just transition to a sustainable society:

- we work in Scotland for socially just solutions to environmental problems and to create a green economy
- we campaign to end degradation of our environment and to create a society which cherishes and protects the natural world on which we depend
- we think globally and act locally, enabling people to take individual and collective action

Friends of the Earth Scotland's vision is of a world where everyone can enjoy a healthy environment without exceeding their fair share of the planet's resources, now and in the future.

The society serves and services members based throughout Scotland and further afield, who assist the organisation through the provision of funding, support and activism. It facilitates the activities of ten local members groups across the country, which campaign on local and national issues, as well as a wider network of activists.

Changes to Personnel

Catrina Randall took up position of Young FoES Coordinator, Sarah Moyes joined the team as Plastics and Circular Economy Campaigner and Ryan Morrisson was appointed Just Transition Campaigner. Gavin Thomson was confirmed in as permanent in the role of Air Pollution Campaigner.

The following staff members left in 2018: Emilia Hanna (Air Pollution Campaigner).

Funders

The Board would like to acknowledge the valuable support of the following organisations.

- *FoEE Europe*
- *FoEE International*
- *Leethill Charitable Trust*
- *Players of the People's Postcode Lottery*
- *The Solberga Foundation*
- *The Joseph Rowntree Charitable Trust*
- *The Esmée Fairbairn Foundation*
- *The Climate Change Collaboration*
- *The National Agency (ERASMUS+)*
- *Tides Foundation*

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

Business Review and Plans for the Future

2019 was the middle year of operation of our five-year strategy and a review of the strategy during the year confirmed our core commitment to tackling climate change and to doing so in a way that embraces social justice, all under the banner of 'Fossil Free Scotland.'

The strategy meant we have invested in expanded work on Just Transition and new work on plastics and the circular economy. The announcement that the UN climate talks will come to Glasgow in 2021 has been absorbed into our campaigning and fundraising plans.

Financial review

In the year to 31 December 2019 the Society had a gross income of £687,569 and expenditure of £688,388. Total funds under management at 31 December 2019 were £567,011 of which £236,051 was held in unrestricted funds.

The Society is almost wholly dependent on subscriptions, donations and grants to enable it to build up the funds needed to carry out its vigorous campaigning programme. The Board considers that cash resources are adequate to meet all current programmes and, while the accounts may present an in-year deficit, this is only due to the carefully planned spend of reserves some of which were accrued in prior years. The Society is operationally in surplus.

The Board seeks to maintain a reserve of between three and six months of operational costs (excluding those directly associated with membership recruitment, fundraising and activities funded from restricted funds). On the basis of these accounts this would require an unrestricted reserve of between £65,000 and £130,000 at the end of 2019.

The results for the year are set out on page 11 of the Accounts. The Board notes that the level of reserves held at year end was more than sufficient to meet the desired levels.

Principal Funding Sources

In 2019 the principal funding sources of Friends of the Earth Scotland were subscriptions, donations and legacies from individual supporters; and restricted grants received from various sources.

Risk Management

The society maintains a Risk Register, which is reviewed by the Board. Conservative assumptions are used when predicting donations from legacies and individuals.

Structure, governance and management

Friends of the Earth Scotland operates under Rules registered under the Industrial and Provident Societies Act 1965 to 2002. Authority is vested in a Board elected by Members of the society at an Annual General Meeting. The Board delegates appropriate authority for operational, policy and management matters to an Executive Committee and to the Director.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Reference and Administrative Information

The Board Members who served during the year were as follows: -

Chairperson	Professor Iain Black
Secretary	Ben Murray
Treasurer	Trina Pirnie Hallberg
Director	Richard Dixon
Staff Representative	Rebecca Curtis-Moss (Appointed 26.08.2019) Caroline Rance (Resigned 26.08.2019)
Board Members	Zarina Ahmad (Elected 17.06.2019) Mark Ballard (Elected 22.06.2019) Louise Bowen (Elected 22.06.2019) Ian Cowan Rowan Gard Amanda Grimm Rachel Howell (Elected 22.06.2019) Gregor McAbery (Co-opted 22.06.2019) Maire McCormack Heather Urquhart (Elected 22.06.2019) Louise McKeever (Resigned 22.06.2019) James Orr (Resigned 22.06.2019) Elli Kontoravdis (Resigned 22.06.2019) Paul Daly (Resigned 22.06.2019)
Auditors	Thomson Cooper 3 Castle Court, Carnegie Campus Dunfermline, Fife, KY11 8PB
Bankers	Bank of Scotland Plc 13 Newkirkgate Edinburgh, EH6 6AD
Registered Office	Thorn House 5 Rose Street Edinburgh, EH2 2PR
Co-operative and Community Benefit Society Number	2066R(S)
Charity Registration Number	SC003442

Recruitment and Appointment of Directors

Board members are recruited from the ranks of the society through an open nomination procedure in advance of each Annual General Meeting. Board members serve a three-year term before having to stand for re-election, and may normally serve only two consecutive terms. In line with the Rules of the Society the Board may co-opt members, up to one quarter of its numbers, on an annual term.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Trustees report responsibilities

The trustees, who are also the directors of Friends of the Earth (Scotland) Limited for the purpose of company law, are responsible for preparing the Trustees Report Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the company will be put at a General Meeting.

The Trustees report was approved by the Board of Trustees.



Professor Iain Black
Chairperson
Dated: 15 June 2020

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FRIENDS OF THE EARTH (SCOTLAND) LIMITED

Opinion

We have audited the financial statements of Friends of the Earth (Scotland) Limited (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Co-operative and Community Benefit Societies Act 2014

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.

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 report 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FRIENDS OF THE EARTH (SCOTLAND) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Co-operative and Community Benefit Societies Act 2014 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
- proper 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 report responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company 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)(c) of the Charities and Trustee 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FRIENDS OF THE EARTH (SCOTLAND) LIMITED

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Mitchell (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditor
Accountants
Dunfermline

15 June 2020

Thomson Cooper is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

Current financial year

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies	3	264,369	14,403	278,772	201,521
Charitable activities	4	-	373,864	373,864	389,708
Other trading activities	5	34,248	510	34,758	26,525
Investments	6	40	-	40	100
Total income		<u>298,657</u>	<u>388,777</u>	<u>687,434</u>	<u>617,854</u>
Expenditure on:					
Raising funds	7 8	18,283	-	18,283	13,708
Charitable activities	9	257,237	412,868	670,105	606,421
Total resources expended		<u>275,520</u>	<u>412,868</u>	<u>688,388</u>	<u>620,129</u>
Net incoming/(outgoing) resources before transfers		23,137	(24,091)	(954)	(2,275)
Gross transfers between funds		(158)	158	-	-
Net income/(expenditure) for the year/ Net movement in funds		<u>22,979</u>	<u>(23,933)</u>	<u>(954)</u>	<u>(2,275)</u>
Fund balances at 1 January 2019		212,937	354,893	567,830	570,105
Fund balances at 31 December 2019		<u><u>236,051</u></u>	<u><u>330,960</u></u>	<u><u>567,011</u></u>	<u><u>567,830</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

Prior financial year

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
<u>Income from:</u>				
Donations and legacies	3	196,213	5,308	201,521
Charitable activities	4	-	389,708	389,708
Other trading activities	5	20,567	5,958	26,525
Investments	6	100	-	100
Total income		216,880	400,974	617,854
<u>Expenditure on:</u>				
Raising funds	7 8	13,708	-	13,708
Charitable activities	9	186,565	419,856	606,421
Total resources expended		200,273	419,856	620,129
Net incoming/(outgoing) resources before transfers		16,607	(18,882)	(2,275)
Net income/(expenditure) for the year/ Net movement in funds		16,607	(18,882)	(2,275)
Fund balances at 1 January 2018		196,330	373,775	570,105
Fund balances at 31 December 2018		212,937	354,893	567,830

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	14		4,396		1,925
Current assets					
Debtors	15	42,284		45,253	
Cash at bank and in hand		550,825		540,798	
		<u>593,109</u>		<u>586,051</u>	
Creditors: amounts falling due within one year	16	<u>(30,494)</u>		<u>(20,146)</u>	
Net current assets			562,615		565,905
Total assets less current liabilities			<u>567,011</u>		<u>567,830</u>
The Funds of the Charity:					
Share capital			2,414		2,279
Accumulated Funds:					
Restricted funds	18		330,960		354,893
Unrestricted Designated Funds	20	70,367		105,356	
Unrestricted General Funds		<u>163,270</u>		<u>105,302</u>	
			236,051		212,937
			<u>567,011</u>		<u>567,830</u>

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

The financial statements were approved by the Trustees on 15 June 2020



Professor Iain Black
Chairperson



Trina Pirnie Hallberg
Treasurer

Company Registration No. SP2066R(S)

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	23		15,742		231,363
Investing activities					
Purchase of tangible fixed assets		(5,890)		(1,079)	
Interest received		40		40	
Net cash used in investing activities			(5,850)		(1,039)
Financing activities					
Proceeds from issue of shares		135		-	
Net cash generated from/(used in) financing activities			135		-
Net increase in cash and cash equivalents			10,027		230,324
Cash and cash equivalents at beginning of year			540,798		310,474
Cash and cash equivalents at end of year			550,825		540,798

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Friends of the Earth (Scotland) Limited is a private company limited by guarantee incorporated in Scotland. The registered office is Thorn House, 5 Rose Street, Edinburgh, EH2 2PR.

1.1 Accounting convention

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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of not less than 12 months. The trustees are aware of the potential impact on the charity of Coronavirus. The period of the UK lockdown is as yet unknown, but the trustees have reviewed their budgets and cashflow based on a drop off from donations and membership for the following financial year. Should this occur the trustees are satisfied that the charity has sufficient cash reserve to cover any shortfall of income over at least the next twelve months. This is based on expectations that fund-raising events will be limited in the short to medium term and that in general donations to charities will fall due to the financial pressures as a result of Coronavirus. The trustees consider that taking these factors into account the charity has sufficient reserves to ensure short term liquidity and longer-term financial viability. As such the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the board for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably.

For donations and appeal funds to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Board's Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Membership subscriptions received by the charity are recognised upon receipt. The substance of the subscription is considered that of a gift, as they do not purchase the right to any services or benefits, and are therefore recognised on the same basis as a donation.

Income from government and other grants, whether 'capital grants or revenue grants', are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income from other trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income includes interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the charity, normally upon notification of the interest paid or payable by the Bank. Amounts regarding the cancellation of shares represents the net movement in the share capital balance for the period, which corresponds with the net movement in members, whom each receive a single share on subscription.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of the general fundraising activities of the charity, and their associated support costs.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the costs of projects, campaigns and membership activities, and their associated support costs.
- Other expenditure (where relevant) comprises costs not falling into any other heading.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, payroll and governance costs and are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are on a direct basis or as a proportion of time spent.

Irrecoverable VAT

The charity is partially registered for VAT. All VAT that has been recovered is netted off against the relevant expenditure, whilst all irrecoverable VAT being shown as a separate expense heading

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% straight line
IT equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Pensions

The charity operates a defined contributions scheme administered by an insurance company as a stakeholder scheme. Contributions are charged to the income and expenditure account as they become payable. During the year 16 (2018 – 14) employees were members of the scheme.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Donations and appeals	74,798	14,403	89,201	21,700	5,308	27,008
Legacies	10,000	-	10,000	1,100	-	1,100
Membership Subscriptions	179,571	-	179,571	173,413	-	173,413
	<u>264,369</u>	<u>14,403</u>	<u>278,772</u>	<u>196,213</u>	<u>5,308</u>	<u>201,521</u>

4 Income from charitable activities

	2019	2018
	£	£
Government grants	<u>373,864</u>	<u>389,708</u>

Income from government grants comprise restricted grants made by the Scottish Government to fund the restricted fund project Community Power.

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Other fundraising income	4,801	280	5,081	12,915	3,353	16,268
Income from events, raffle tickets, donations and groups	29,447	230	29,677	7,652	2,605	10,257
Other trading activities	<u>34,248</u>	<u>510</u>	<u>34,758</u>	<u>20,567</u>	<u>5,958</u>	<u>26,525</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Investments

	2019 £	2018 £
Cancellation of shares	-	60
Interest receivable	40	40
	<u>40</u>	<u>100</u>
	<u><u>40</u></u>	<u><u>100</u></u>

7 Donated goods, facilities or services

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

8 Analysis of expenditure on raising funds

	Unrestricted funds	Unrestricted funds
	2019 £	2018 £
<u>Fundraising and publicity</u>		
Membership schemes and social lotteries	18,283	13,708
	<u>18,283</u>	<u>13,708</u>
	<u><u>18,283</u></u>	<u><u>13,708</u></u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Analysis of expenditure on charitable activities

	Total 2019 £	Total 2018 £
Staff costs	376,621	314,540
Depreciation and impairment	3,418	1,834
Design, printing & stationery	11,302	9,288
Affiliations & subscriptions	11,627	13,363
Telephone, website & internet costs	7,684	10,430
VAT recoverable	15,332	13,417
Professional fees & freelance costs	18,536	8,735
Campaigning & Events	36,136	68,367
Reimbursement to volunteers	956	1,253
Travelling expenses	17,660	8,481
I.T & strategic review	2,567	1,367
Equipment	5,070	4,266
Recruitment & training	4,169	6,697
Postage & Couriers	1,085	298
Bad debts	-	24
	<u>512,163</u>	<u>462,360</u>
Share of support costs (see note 10)	148,412	131,013
Share of governance costs (see note 10)	9,530	13,048
	<u>670,105</u>	<u>606,421</u>
Analysis by fund		
Unrestricted funds	257,237	186,565
Restricted funds	412,868	419,856
	<u>670,105</u>	<u>606,421</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Support costs

	Support costs	Governance costs	2019	Support costs	Governance costs	2018	Basis of allocation
	£	£	£	£	£	£	
Staff costs	95,852	-	95,852	81,518	-	81,518	Time spent
Property costs	48,536	-	48,536	45,477	-	45,477	Direct
Insurance	4,024	-	4,024	4,018	-	4,018	Direct
Audit fees	-	5,900	5,900	-	5,600	5,600	Governance
Board & AGM expenses	-	3,271	3,271	-	7,301	7,301	Governance
Bank charges	-	359	359	-	147	147	Governance
	<u>148,412</u>	<u>9,530</u>	<u>157,942</u>	<u>131,013</u>	<u>13,048</u>	<u>144,061</u>	
Analysed between							
Charitable activities	<u>148,412</u>	<u>9,530</u>	<u>157,942</u>	<u>131,013</u>	<u>13,048</u>	<u>144,061</u>	

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between its key charitable activities undertaken in the year. Refer to the table above for the basis for apportionment and the analysis of support and governance costs.

Governance costs includes payments to the auditors of £5,900 (2018- £5,600) for audit fees.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Net movement in funds	2019	2018
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	5,900	5,600
Depreciation of owned tangible fixed assets	3,418	1,834
	<u> </u>	<u> </u>

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

13 Employees

Number of employees

The average monthly number of employees during the year was:

2019	2018
Number	Number
16	14
<u> </u>	<u> </u>

Employment costs

	2019	2018
	£	£
Wages and salaries	410,653	353,778
Social security costs	36,089	20,497
Pension costs	24,392	20,600
Other insurance costs	1,339	1,183
	<u> </u>	<u> </u>

No employee received emoluments in excess of £60,000 during the year (2018 - None).

The total amounts of employee benefits received by Key management personnel of the charity is £173,731 (2018 - £133,783). The charity considers its key management personnel comprise the Director, Head of Campaigns, Development Manager & Membership/Office Manager.

Travel and other expense payments of £642 (2018 : £97) were made to Board members in the year.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2019	29,383
Additions	5,890
	<u> </u>
At 31 December 2019	35,273
	<u> </u>
Depreciation and impairment	
At 1 January 2019	27,459
Depreciation charged in the year	3,418
	<u> </u>
At 31 December 2019	30,877
	<u> </u>
Carrying amount	
At 31 December 2019	4,396
	<u> </u>
At 31 December 2018	1,925
	<u> </u>

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	15,846	20,681
Other debtors	20,517	21,943
Prepayments and accrued income	5,921	2,629
	<u> </u>	<u> </u>
	42,284	45,253
	<u> </u>	<u> </u>

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	12,074	8,747
Trade creditors	4,360	4,746
Other creditors	5,265	1,053
Accruals and deferred income	8,795	5,600
	<u> </u>	<u> </u>
	30,494	20,146
	<u> </u>	<u> </u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Share capital	2019	2018
	£	£
Ordinary share capital		
Authorised		
Shares in issue at 1st January 2019	2,279	2,339
Shares issued during the year	276	114
Shares cancelled on members leaving	(141)	(174)
	<u>2,414</u>	<u>2,279</u>
	<u><u>2,414</u></u>	<u><u>2,279</u></u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£	£	£	£
Campaign & Development Work (PPL)	332,018	257,048	(270,335)	(2,364)	316,367	251,439	(259,358)	-	308,448
Campaign Organisers (Tides Foundation)	-	5,552	(333)	-	5,219	7,573	(5,246)	-	7,546
Climate Education (UK National Agency)	-	40,383	(32,727)	-	7,656	-	(8,118)	-	(462)
Climate Jobs	1,587	(291)	(1,587)	291	-	-	-	-	-
School of Sustainability - EuropeAid	20,086	7,565	(23,412)	-	4,239	-	(4,239)	-	-
Fracking (Appeal and Donations)	-	3,137	(3,137)	-	-	-	-	-	-
Air Pollution (Esmee Fairbairn Foundation)	20,000	20,000	(21,038)	-	18,962	20,000	(23,153)	-	15,809
Air Pollution (Appeal and Donations)	1,202	1,360	(2,562)	-	-	4,443	(4,443)	-	-
Sustainable Finance (JRCT)	251	22,000	(18,138)	-	4,113	22,212	(26,325)	-	-
Sustainable Finance (Platform)	-	(2,073)	-	2,073	-	-	-	-	-
Sustainable Finance (SFCT)	2,186	20,249	(20,485)	-	1,950	19,993	(21,943)	-	-
Sustainable Finance (Appeal and Donations)	-	555	-	-	555	397	(501)	-	451
Food Sovereignty (FoEI)	(3,555)	25,414	(26,102)	-	(4,243)	50,445	(47,034)	-	(832)
Plastics (Appeals and Donations)	-	75	-	-	75	3,889	(3,964)	-	-
Just Transition (Appeal & Donations)	-	-	-	-	-	4,532	(4,532)	-	-
Youth and Communities for Environmental Justice	-	-	-	-	-	3,854	(4,012)	158	-
	<u>373,775</u>	<u>400,974</u>	<u>(419,856)</u>	<u>-</u>	<u>354,893</u>	<u>388,777</u>	<u>(412,868)</u>	<u>158</u>	<u>330,960</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Restricted funds

(Continued)

Figures in brackets in either 'balance' column represent expenditures made in advance of agreed grants, or in anticipation of grants being paid.

The relevant funders are content with the transfer between funds.

All restricted funds are principally funded by grants receivable, and comprise the following:

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Restricted funds

(Continued)

Campaigning & Development Work (PPL)

Funds received from the People's Postcode Lottery. This fund supports work on climate change, fracking, air pollution, community power, access to environmental justice, just transition and activism as well as core costs. As of 2017 via FoE EWNI as direct beneficiary.

Campaign Organisers (Tides Foundation)

Funds received to support delivery of Campaign Organisers' program.

Climate Education (UK National Agency)

Funds received under ERASMUS+ program, supporting excellence in diversity, inclusion and climate education.

Climate Jobs	
---------------------	--

One year grant (coordinated by Platform) to support fossil fuel divestment campaigning. This funding ended in 2017.

School of Sustainability (EuropeAid)

School of Sustainability, a three-year project funded by EuropeAid and co-ordinated by FoE Europe to support and encourage activists to develop an informal 'school of sustainability'.

Fracking (Appeal and Donations)

Donations from members in response to appeal on fracking.

Air Pollution (EFF)

Grant from Esm e Fairbairn Foundation, for work on air pollution campaign.

Air Pollution (Appeal and Donations)

Donations from members in response to appeal on air pollution.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Restricted funds

(Continued)

Sustainable Finance (JRCT)

Grant from Joseph Rowntree Charitable Trust to work on the 'Investing for everyone' project, embedding climate-friendly finance.

Sustainable Finance (Platform)

One year grant (coordinated by Platform) to support fossil fuel divestment campaigning.

Sustainable Finance (SFCT)

Share of joint grant from the Sainsbury's Family Charitable Trusts, for work on fossil fuel divestment campaigning.

Food Sovereignty (FoEI)

Grant from Friends of the Earth International (FoEI) to cover costs of hosting the coordinator of the FoEI Food Sovereignty program.

Plastics (Appeal and Donations)

Donations from members in response to appeal on plastic pollution and circular economy.

Sustainable Finance (CCC)

Share of joint grant from The Climate Collaboration, for work on fossil fuel divestment campaigning.

Just Transition (Appeal and Donations)

Donations from members and supporters in response to appeal on Just Transition.

Youth and Communities for Environmental Justice (FoEE)

Grant from Friends of the Earth Europe to work to support Youth and Communities for Environmental Justice work

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

19 Unrestricted General Funds

The income funds of the charity include the following unrestricted funds :

	Movement in funds				Movement in funds				
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£	£	£	£
General Fund	88,695	216,880	200,273	-	105,302	298,657	(240,531)	(158)	163,270
	<u>88,695</u>	<u>216,880</u>	<u>200,273</u>	<u>-</u>	<u>105,302</u>	<u>298,657</u>	<u>(240,531)</u>	<u>(158)</u>	<u>163,270</u>

The General Fund relates to "Free reserves" after allowing for all designated funds.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 January 2018	Incoming resources	Balance at 1 January 2019	Resources expended	Balance at 31 December 2019
	£	£	£	£	£
Legacy Funds	105,356	-	105,356	(34,989)	70,367
	<u>105,356</u>	<u>-</u>	<u>105,356</u>	<u>(34,989)</u>	<u>70,367</u>
	<u><u>105,356</u></u>	<u><u>-</u></u>	<u><u>105,356</u></u>	<u><u>(34,989)</u></u>	<u><u>70,367</u></u>

Amounts relate to unrestricted funding received as a legacy in 2016 which has been designated by the Board towards staff costs for a Parliamentary Officer as of 2019 for a period of 3 years.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21 Analysis of net assets between funds

	Unrestricted			Unrestricted			Total
	General	Unrestricted	Restricted	General	Unrestricted	Restricted	
	Funds	Funds	Funds	Funds	Funds	Funds	
	2019	2019	2019	2018	2018	2018	
	£	£	£	£	£	£	
Fund balances at 31 December 2019 are represented by:							
Tangible assets	2,830	-	1,566	1,686	-	239	1,925
Current assets/(liabilities)	162,854	70,367	329,394	105,895	105,356	354,654	565,905
	<u>165,684</u>	<u>70,367</u>	<u>330,960</u>	<u>107,581</u>	<u>105,356</u>	<u>354,893</u>	<u>567,830</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

22 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

23 Cash generated from operations	2019 £	2018 £
Deficit for the year	(954)	(2,277)
Adjustments for:		
Investment income recognised in statement of financial activities	(40)	(100)
Depreciation and impairment of tangible fixed assets	3,418	1,837
Movements in working capital:		
Decrease in debtors	2,969	235,112
Increase/(decrease) in creditors	10,349	(3,208)
Cash generated from operations	<u>15,742</u>	<u>231,364</u>