

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 2021

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

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FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

Statement

After describing 2020 as *unprecedented*, 2021 has also had its fair share of challenges as the Covid-19 pandemic continues, vaccinations are rolled out and we all began to get to grips with the *new normal*. As we reflect on the ups and downs of the last 12 months we would like to say a huge congratulations to all of the staff, volunteers, funders and trustees that have made these successes possible.

Air Pollution

After covid-related delays the Low Emission Zone in Glasgow will **restrict the most polluting oldest cars** from June 2023 with Aberdeen, Edinburgh, and Dundee following suit in 2024. We're focused on building support in those cities for traffic reduction measures, and supporting groups already working on this. We also achieved huge media exposure during COP26 on transport issues, specifically on the free travel card given to all delegates.

Divestment

Fossil fuel finance was a major focus of protest during COP26. As well as our work bringing attention to the role of local government, allied organisations and groups targeted Barclays Bank, HSBC, Standard Chartered, JP Morgan Chase, UK Export Finance and the Bank of England.

Just Transition

In June, we published the findings of a survey with Platform and Greenpeace of 610 offshore workers on issues with training requirements in the offshore oil and wind sectors. This is a significant barrier to transition for oil workers that they shared with us during the *Offshore* report, with workers paying their own training costs and often duplicating similar programmes for oil as in wind to the benefit of the training companies. As part of the survey, we asked workers whether they would support an 'Offshore Training Passport' to align standards and certification in the energy sector as far as possible. Of the 610, **94% of respondents said they would support the offshore training passport**. We were joined in making this demand of the Scottish and UK Governments by RMT and Unite offshore branches.

We are now engaging with politicians and the training bodies to encourage a response to the survey to rectify the current situation. There is a motion (S6M-00522) in the Scottish Parliament with support from SNP, Conservative, Labour and Green MSPs and we will continue to lobby for change in training to ensure a just transition.

Ending North Sea Oil & Gas

Our work in 2021 focused on using the spotlight of COP26 to further our campaign aims and build support for no new oil and gas, and a phase out of North Sea oil production in the next decade in line with limiting warming to 1.5°C. Significant wins include **stopping the development of Cambo** in its tracks!

Moving into 2022 it's clear there is still a lot of work to be done but we have every confidence that the Friends of the Earth team will more than meet every challenge that comes our way!

Laura Curtis-Moss
Mark Ballard
Co-Chairs

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The financial statements have been prepared in accordance with the accounting policies set out in note 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)" (effective 1 January 2019).

Structure, governance and management

Governing Document

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.

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. The Board members serving during 2021 are listed on Page 3 of the accounts.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Reference and Administrative Information

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

Co-Chairperson	Laura Curtis-Moss Mark Ballard (Appointed 29.05.2021)
Secretary	Dr Louise Bowen
Treasurer	Amanda Grimm (Resigned 29.05.2021) Catherine Lyons (Elected 12.10.2021)
Directors	Richard Dixon (Resigned 31.03.2022) Alice Johnston (Appointed 01.04.2022) Kerrigan Bell (Appointed 01.04.2022) Mary Church (Appointed 01.04.2022)
Staff Representative	post vacant
Board Members	Zarina Ahmad (Resigned 12.12.2021) Professor Iain Black Rowan Gard Rachel Howell Daisy Jamieson Ben Murray (Resigned 09.03.2021) Duncan Wallace (Elected 29.05.2021)
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

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

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

Objectives and Activities

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

The following staff members joined us in 2021:

Anny Morel (Administrative Assistant)
Eilidh Stanners (Communications Officer)
Tess Humble (COP26 Coalition Mobilisation Officer)
Sally Clark (Divestment Campaigner)
Rodney Lovie (Just Transition Organiser)
Malachy Clark (Public Affairs Manager)
Scott Herrett (Just Transition Organiser)
Stuart Forbes (Parliamentary Officer)
Kimberley Pratt (Circular Economy Campaigner)

The following staff members left in 2021:

Fergus Boden (Parliamentary Officer)
Rebecca Curtis-Moss (Digital and Events Fundraiser)
Sarah Moyes (Circular Economy Campaigner)
Rodney Lovie (Just Transition Organiser)

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Funders

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

- Break Free From Plastic
- Climate Change Collaboration
- Climate Emergency Collaboration Group
- Energy Transition Fund
- European Climate Foundation
- Foundation for Integrated Transport
- FoE International
- Joseph Rowntree Charitable Trust
- Leet Hill Charitable Trust
- Minor Foundation for Major Challenges
- Players of the People's Postcode Lottery
- Rosa Luxemburg Stiftung Foundation
- Southall Trust
- Tides Foundation
- The Estate of the late Mary Shaw Smart
- Uplift
- Zero Waste Europe

Achievements and performance

Business Review and Plans for the Future

2021 was the final year of our five-year strategy, approved in 2017 and reviewed in 2019-20. Because of the exceptional workload of COP26 and the COVID pandemic we agree to extend the strategy and develop a new one in 2022. Our work continues the strategy's core commitment to tackling climate change and to doing so in a way that embraces social justice. Work on Just Transition and the circular economy were in their very early stages in 2017 but were more fully included in the strategy review in 2020 and are now major streams of work for FoE Scotland.

Financial review

In the year to 31 December 2021 the Society had a gross income of £1,432,733 and expenditure of £1,504,464. Total funds under management at 31 December 2021 were £976,170 of which £420,923 was held in unrestricted funds.

The Society is almost wholly dependent on subscriptions, donations and grants. The Board considers that cash resources are adequate to meet current programmes.

Reserves Policy

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, excluding those related to the COP26 Coalition). On the basis of these accounts this would require an unrestricted reserve of between £65,000 and £130,000 at the end of 2021.

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 2021 the principal funding sources of Friends of the Earth Scotland were restricted grants received from various sources and subscriptions, donation and legacies from individual supporters.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

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

Statement of Trustees 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 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.



Mark Ballard
Co-Chairperson
Dated: 23 May 2022



Laura Curtis-Moss
Co-Chairperson
Dated: 23 May 2022

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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 December 2021 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

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of commercial income, posting of unusual journals along with complex transactions and manipulating the company's key performance indicators to meet targets. We discussed these risks with management, designed audit procedures to test the timing and existence of commercial revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the company.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Auditors
Dunfermline

27-05-22

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FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	3	364,760	14,762	379,522	348,943
Charitable activities	4	-	1,044,584	1,044,584	959,625
Other trading activities	5	7,096	-	7,096	9,472
Investments	6	1,531	-	1,531	1,199
Total income		373,387	1,059,346	1,432,733	1,319,239
Expenditure on:					
Raising funds	7 8	9,449	-	9,449	15,084
Charitable activities	9	159,336	1,335,679	1,495,015	823,225
Total resources expended		168,785	1,335,679	1,504,464	838,309
Net incoming/(outgoing) resources		204,602	(276,333)	(71,731)	480,930
Other gains or losses		(43)	-	(43)	3
Net movement in funds		204,559	(276,333)	(71,774)	480,933
Fund balances at 1 January 2021		216,364	831,580	1,047,944	567,011
Fund balances at 31 December 2021		420,923	555,247	976,170	1,047,944

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 2021

Prior financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:				
Donations and legacies	3	335,300	13,643	348,943
Charitable activities	4	-	959,625	959,625
Other trading activities	5	9,472	-	9,472
Investments	6	1,199	-	1,199
Total income		345,971	973,268	1,319,239
Expenditure on:				
Raising funds	7 8	15,084	-	15,084
Charitable activities	9	350,577	472,648	823,225
Total resources expended		365,661	472,648	838,309
Net incoming/(outgoing) resources		(19,690)	500,620	480,930
Other gains or losses		3	-	3
Net movement in funds		(19,687)	500,620	480,933
Fund balances at 1 January 2020		236,051	330,960	567,011
Fund balances at 31 December 2020		216,364	831,580	1,047,944

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		8,054		6,265
Current assets					
Debtors	15	224,932		383,272	
Cash at bank and in hand		1,063,415		691,454	
		<u>1,288,347</u>		<u>1,074,726</u>	
Creditors: amounts falling due within one year	16	<u>(320,231)</u>		<u>(33,047)</u>	
Net current assets			968,116		1,041,679
Total assets less current liabilities			<u>976,170</u>		<u>1,047,944</u>
Income funds					
Restricted funds	19		555,247		831,580
<u>Unrestricted funds</u>					
Designated funds	21	33,258		70,367	
General unrestricted funds		385,291		143,580	
Share capital		<u>2,374</u>		<u>2,417</u>	
			420,923		216,364
			<u>976,170</u>		<u>1,047,944</u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the Trustees on 23 May 2022



Catherine Lyons
Treasurer

Company Registration No. SP2066R(S)

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	25		377,143		144,870
Investing activities					
Purchase of tangible fixed assets		(6,670)		(5,443)	
Investment income received		1,531		1,199	
Net cash used in investing activities			(5,139)		(4,244)
Financing activities					
Proceeds from issue of shares		130		128	
Purchase of own shares		(173)		(125)	
Net cash (used in)/generated from financing activities			(43)		3
Net increase in cash and cash equivalents			371,961		140,629
Cash and cash equivalents at beginning of year			691,454		550,825
Cash and cash equivalents at end of year			1,063,415		691,454

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 the charity's [governing document], the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). 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 and 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 2021

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 2021

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 the statement of financial activities.

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 2021

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 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 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 22 (2020 – 20) 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 2021

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and appeals	109,643	14,762	124,405	171,330	13,643	184,973
Legacies	94,082	-	94,082	7,437	-	7,437
Membership Subscriptions	161,035	-	161,035	156,533	-	156,533
	<u>364,760</u>	<u>14,762</u>	<u>379,522</u>	<u>335,300</u>	<u>13,643</u>	<u>348,943</u>

4 Income from charitable activities

	2021	2020
	£	£
Grants	<u>1,044,584</u>	<u>959,625</u>

5 Income from other trading activities

	2021	2020
	£	£
Other fundraising income	2,414	3,095
Income from events, raffle tickets, donations and groups	4,682	6,377
Other trading activities	<u>7,096</u>	<u>9,472</u>

6 Investments

	2021	2020
	£	£
Interest receivable	<u>1,531</u>	<u>1,199</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 £	2020 £
<u>Fundraising and publicity</u>		
Membership schemes and social lotteries	9,449	15,084
	<u>9,449</u>	<u>15,084</u>
	<u><u>9,449</u></u>	<u><u>15,084</u></u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Charitable activities

	Total 2021 £	Total 2020 £
Staff costs	602,673	473,429
Depreciation and impairment	4,882	3,574
Design, printing & stationery	42,229	12,473
Affiliations & subscriptions	18,247	12,199
Telephone, website & internet costs	22,296	17,498
VAT recoverable	42,164	13,706
Professional fees & freelance costs	146,901	48,578
Campaigning & events	357,984	54,762
Insurance	920	634
Travelling expenses	7,766	2,393
I.T & strategic review	3,047	871
Equipment	4,826	4,008
Recruitment & training	11,230	2,849
Postage & Couriers	907	5
	<u>1,266,072</u>	<u>646,979</u>
Share of support costs (see note 10)	213,945	169,523
Share of governance costs (see note 10)	14,998	6,723
	<u>1,495,015</u>	<u>823,225</u>
Analysis by fund		
Unrestricted funds	159,336	350,577
Restricted funds	1,335,679	472,648
	<u>1,495,015</u>	<u>823,225</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Support costs

Year ended 31 December 2021

	Support costs	Governance costs	2021	Basis of allocation
	£	£	£	
Staff costs	129,271	-	129,271	Time spent
Property costs	55,073	-	55,073	Direct
Insurance	29,601	-	29,601	Direct
Audit fees	-	6,300	6,300	Governance
Board & AGM expenses	-	8,330	8,330	Governance
Bank charges	-	368	368	Governance
	<u>213,945</u>	<u>14,998</u>	<u>228,943</u>	

Year ended 31 December 2020

	Support costs	Governance costs	2020	Basis of allocation
	£	£	£	
Staff costs	114,542	-	114,542	Time spent
Property costs	50,525	-	50,525	Direct
Insurance	4,456	-	4,456	Direct
Audit fees	-	6,100	6,100	Governance
Board & AGM expenses	-	544	544	Governance
Bank charges	-	79	79	Governance
	<u>169,523</u>	<u>6,723</u>	<u>176,246</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 £6,300 (2020- £6,100) for audit fees.

11 Net movement in funds

	2021	2020
	£	£
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	6,300	6,100
Depreciation of owned tangible fixed assets	4,882	3,574
	<u>11,182</u>	<u>9,674</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	23	20
	<u> </u>	<u> </u>
Employment costs	2021	2020
	£	£
Wages and salaries	639,387	513,459
Social security costs	55,332	43,545
Other pension costs	37,225	30,967
	<u> </u>	<u> </u>
	<u>731,944</u>	<u>587,971</u>

The total amounts of employee benefits received by Key Management Personnel of the charity is £178,174 (2020 - £182,101). The charity considers its Key Management Personnel comprise the Director, Head of Campaigns, Development Manager & Head of Operations.

Travel and other expense payments of £nil (2020 : £nil) were made to Board members in the year.

There were no employees whose annual remuneration was more than £60,000.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2021	40,717
Additions	6,670
	<hr/>
At 31 December 2021	47,387
	<hr/>
Depreciation and impairment	
At 1 January 2021	34,451
Depreciation charged in the year	4,882
	<hr/>
At 31 December 2021	39,333
	<hr/>
Carrying amount	
At 31 December 2021	8,054
	<hr/> <hr/>
At 31 December 2020	6,265
	<hr/> <hr/>

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	23,748	22,191
Other debtors	195,995	355,552
Prepayments and accrued income	5,189	5,529
	<hr/>	<hr/>
	224,932	383,272
	<hr/> <hr/>	<hr/> <hr/>

16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		20,266	15,685
Deferred income	17	240,930	-
Trade creditors		13,963	5,505
Other creditors		7,177	5,757
Accruals and deferred income		37,895	6,100
		<hr/>	<hr/>
		320,231	33,047
		<hr/> <hr/>	<hr/> <hr/>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Deferred income

	2021 £	2020 £
Deferred grants received	240,930	-

18 Share capital

	2021 £	2020 £
Ordinary share capital		
Authorised		
Shares in issue at 1st January 2021	2,417	2,414
Shares issued during the year	130	128
Shares cancelled on members leaving	(173)	(125)
	<u>2,374</u>	<u>2,417</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 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:

Current Year	Movement in funds				Balance at 31 December 2021
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Campaign & Development Work (PPL)	600,373	-	(256,284)	-	344,089
Campaign Organisers (Tides Foundation)	1,243	-	(1,243)	-	-
Climate Education (UK National Agency)	3,481	(2,658)	(824)	1	-
Climate Change - Minor Foundation for Major Challenges	5,711	-	(5,711)	-	-
COP Glasgow	175,259	728,896	(797,267)	-	106,888
Air Pollution (FIT)	-	17,580	(13,375)	-	4,205
Sustainable Finance (JRCT)	27,220	39,912	(37,868)	-	29,264
Sustainable Finance (CCC)	4,714	35,936	(28,090)	-	12,560
Sustainable Finance (Appeal and Donations)	451	-	-	-	451
Food Sovereignty (FoEI)	1,359	52,260	(50,670)	-	2,949
Plastics Campaign (Donations)	-	140	(140)	-	-
Plastics Campaign (Zero Plastic Europe)	2,661	2,563	(5,223)	(1)	-
Just and Green Recovery	9,108	1,585	(10,693)	-	-
Oil & Gas	-	183,132	(128,291)	-	54,841
	<u>831,580</u>	<u>1,059,346</u>	<u>(1,335,679)</u>	<u>-</u>	<u>555,247</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds

(Continued)

Prior Year	Movement in funds				Balance at 31 December 2020 £
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	
Campaign & Development Work (PPL)	308,448	550,750	(258,825)	-	600,373
Campaign Organisers (Tides Foundation)	7,546	-	(6,303)	-	1,243
Climate Education (UK National Agency)	(462)	12,684	(8,741)	-	3,481
Climate Change - Minor Foundation for Major Challenges	-	8,452	(2,741)	-	5,711
COP Glasgow	-	265,112	(89,853)	-	175,259
Air Pollution (Esmée Fairbairn Foundation)	15,809	-	(15,809)	-	-
Air Pollution (FIT)	-	20	(20)	-	-
Sustainable Finance (JRCT)	-	39,918	(12,698)	-	27,220
Sustainable Finance (CCC)	-	28,733	(24,019)	-	4,714
Sustainable Finance (Appeal and Donations)	451	-	-	-	451
Food Sovereignty (FoEI)	(832)	54,840	(52,649)	-	1,359
Plastics Campaign (Donations)	-	460	(460)	-	-
Plastics Campaign (Zero Plastic Europe)	-	2,661	-	-	2,661
Just Transition (Appeal and Donations)	-	530	(530)	-	-
Just and Green Recovery	-	9,108	-	-	9,108
	<u>330,960</u>	<u>973,268</u>	<u>(472,648)</u>	<u>-</u>	<u>831,580</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 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:

Campaigning & Development Work (PPL)

Funds received from the People's Postcode Lottery. This fund supports work on climate change, air pollution, access to environmental justice, just transition, circular economy, oil and gas 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.

Minor Foundation : Climate change (Minor Foundation for Major Problems)

Funds received for work on oil and gas, which has subsequently been redirected to the climate aspects of the Just and Green Recovery.

CECG

Supported the COP 26 Coalition and their organising work around COP 26 in Glasgow

ETF

Supports our campaign to end the extraction of fossil fuels in the UK through a Just Transition to a green energy system.

ECF COP

Supported the COP 26 Coalition and in particular the mass public mobilisation during COP 26 in Glasgow.

JRCT COP

Supported our activism work for COP 26 in Glasgow.

PPL COP

Extra award given for FoES COP 26 activities throughout the year as well as legacy building work.

Rosa Luxemburg Stiftung

Supported the COP 26 Coalition with staffing and online activities.

COP 26 (Appeal and Donations)

Donations from members and supporters in response to appeal to help our COP 26 work.

Air Pollution (EFF)

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

Air Pollution (Appeal and Donations)

Donations from Members in response to appeal on air pollution.

Air Pollution (FIT)

Supporting our traffic reduction and transport campaign.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 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 (CCC)

Share of joint grant from The Climate Change Collaboration, 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.

Break free from Plastic

Supported circular economy campaigner and the Toxic Tour project.

Zero Plastic Europe

Supported circular economy campaigner and the Toxic Tour project

Just Transition (Appeal and Donations)

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

Just and Green Recovery

Donations from members in response to appeal to help promote a green recovery from the Covid-19 pandemic.

ECF Oil and Gas

Supporting our work hydrogen and challenging greenwashing.

Uplift

Supports our campaign to end the extraction of fossil fuels in the UK through a Just Transition to a green energy system.

Oil and Gas (Appeal and Donations)

Donations from members and supporters in response to appeal to help our work to end North Sea Oil and Gas extraction.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Unrestricted General Funds

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

	Movement in funds				Balance at 31 December 2021
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	
Current year	£	£	£	£	£
General Fund	143,580	373,387	(168,785)	37,109	385,291
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Movement in funds				Balance at 31 December 2020
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	
Prior year	£	£	£	£	£
General Fund	163,270	345,971	(365,661)	-	143,580
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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 2021

21 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 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
Current year	£	£	£	£	£
Legacy Funds	70,367	-	-	(37,109)	33,258
	<u>70,367</u>	<u>-</u>	<u>-</u>	<u>(37,109)</u>	<u>33,258</u>
	<u><u>70,367</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(37,109)</u></u>	<u><u>33,258</u></u>

	Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
Prior year	£	£	£	£	£
Legacy Funds	70,367	-	-	-	70,367
	<u>70,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,367</u>
	<u><u>70,367</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>70,367</u></u>

The above amount relate to unrestricted funding received as a legacy in 2016 which was designated by the Board towards staff costs for employing a Parliamentary Officer. An amount of £37,109 was incurred towards the cost of a Parliamentary Officer in 2020. This amount was misallocated to the General Unrestricted Fund. The transfer shown above of this amount represents a correction of this misallocation.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Tangible assets	7,252	-	802	8,054
Current assets/(liabilities)	380,413	33,258	554,445	968,116
	<u>387,665</u>	<u>33,258</u>	<u>555,247</u>	<u>976,170</u>

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible assets	4,278	-	1,987	6,265
Current assets/(liabilities)	141,719	70,367	829,593	1,041,679
	<u>145,997</u>	<u>70,367</u>	<u>831,580</u>	<u>1,047,944</u>

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	55,312	55,776
Between two and five years	42,304	57,550
	<u>97,616</u>	<u>113,326</u>

24 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

25 Cash generated from operations	2021 £	2020 £
(Deficit)/surplus for the year	(71,731)	480,930
Adjustments for:		
Investment income recognised in statement of financial activities	(1,531)	(1,199)
Depreciation and impairment of tangible fixed assets	4,881	3,574
Movements in working capital:		
Decrease/(increase) in debtors	158,340	(340,988)
Increase in creditors	46,254	2,553
Increase in deferred income	240,930	-
Cash generated from operations	<u>377,143</u>	<u>144,870</u>