

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 2022**

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

CONTENTS

	Page
Chairperson's report	1 - 2
Trustees report	3 - 7
Independent auditor's report	8 - 10
Statement of financial activities	11 - 12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 29

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The chair presents their report for the year ended 31 December 2022.

Statement

2022 saw a degree of normality return in the external world following the turbulence of the Covid-19 lockdowns and restrictions, tempered by significant economic instability. Internally it was a period of continued transition for Friends of the Earth Scotland in terms of senior leadership, as Richard Dixon, Director of over a decade, departed in March. FoES also saw continued transitions in our ways of working, particularly in the hybrid context. It is the commitment and determination of the staff, volunteers, funders and trustees that have enabled Friends of the Earth Scotland's ongoing success in the context of ongoing change.

Air Pollution

We continued to build support for traffic reduction measures in cities with Low Emissions Zones due to be implemented in 2023 and 2024: Glasgow, Aberdeen, Edinburgh and Dundee. We also took action to support civil society engagement with a Scottish Government consultation on its plans to reduce car km by 20% by 2030. Additionally, we devoted significant time to building capacity in local groups by supporting Car Free Day in September, including through media work and the promotion of Kidical Mass family bike rides, targeting towns and cities currently without LEZs.

Circular Economy

We further laid the groundwork for legally binding consumption targets in the forthcoming Circular Economy Bill, including through submissions to the Circular Economy and Route Map consultations in August. We celebrated a commitment from the Scottish Government to ban new incinerators, and continued to engage in support of the Deposit Return Scheme, as well as mobilising people for the Big Plastic Count.

Climate Change

We worked with partners from the COP26 Coalition and War on Want to transition the COP26 coalition into more permanent movement infrastructure. This culminated in the creation of the Climate Justice Coalition. Through the CJC we organised a mass mobilisation as part of the Global Day of Action for Climate Justice during COP28.

We undertook an external evaluation of our COP26 work with Navigate. This involved reviewing our impact and our ways of working. The purpose of conducting this evaluation was also to take steps towards establishing a culture of evaluation and learning in the organisation. We will look to implement the recommendations from this process in 2023 onwards.

Divestment

In 2022 we embarked on a two-year programme of divestment campaigning in partnership with Platform and Friends of the Earth England Wales and Northern Ireland targeting investors at a local, national and UK level. We also co-hosted the UK Divest Gathering in Staffordshire, our first fully residential training weekend since 2019, for volunteers from across involved in local fossil fuel divestment campaigning. Over 50 people took part with universal appreciation and warm feedback given. The event solidified our local divest groups network, with which we are planning a major day of action for 2023.

Just Transition

We continued our extensive work on an indepth consultation to formulate oil and gas workers' demands in relation to a just transition away from oil and gas. We held six workshops with offshore oil and gas workers across the UK in the spring and summer. We commissioned research to show how these demands could be delivered as well as a survey of the wider workforce to demonstrate broader support for the full package of demands co-created in the workshops.

We worked with Stop ClimateChaos Coalition and the Just Transition Partnership to influence the first Scottish Government led Just Transition Plan for the energy sector. Ending North Sea Oil & Gas.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

CHAIRPERSON'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

We supported the Stop Cambo campaign to take action against the Jackdaw oilfield. Together we ran a petition which was handed in to Downing Street at the end of August with over 60,000 signatures, hosted MP and MSP e-actions, ran a training session to equip people to meet their MSPs about Jackdaw, and coordinated outreach during the Edinburgh Fringe as part of a wider week of action.

Our attention subsequently turned to the Rosebank field. In addition to supporting public mobilisations, we lobbied MSPs to put pressure on the Scottish Government to strengthen its position on phase out. We will focus our future energies on the Energy Strategy and Just Transition Plan.

As we look towards 2023 it is clear that Friends of the Earth Scotland's work is needed now more than ever. We look forward to refocusing our strategy and refining our internal systems and ways of working to rise to the occasion as best we can.

Mark Ballard

Mark Ballard

Chairperson

Date: 26 May 2023

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

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 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 2022 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 2022

Reference and Administrative Information

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

Co-Chairperson	Laura Curtis-Moss (Resigned 09.02.2023) Mark Ballard
Secretary	Dr Louise Bowen (Resigned 11.06.2022) Rowan Gard (Appointed 11.06.2022)
Treasurer	Catherine Lyons
Directors	Richard Dixon (Resigned 31.03.2022) Alice Johnston (Appointed 01.04.2022, Resigned 07.11.2022) Kerrigan Bell (Appointed 01.04.2022, Resigned 07.11.2022) Mary Church (Appointed 01.04.2022, Resigned 07.11.2022) Andrew Jermey-Boys (Appointed 07.11.2022, Resigned 30.01.2023) Gracie Mae Bradley (Appointed 30.01.2023)
Staff Representative	post vacant
Board Members	Professor Iain Black Rachel Howell (Resigned 11.06.2022) Daisy Jamieson Duncan Wallace Mona Moufahim (Appointed 11.06.2022) Stewart Kirkpatrick (Appointed 11.06.2022)
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 2022

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 2022:

Anne Kerr (Bookkeeper)
Hannah Ryan (Fundraising Officer)
Jayne Saywell (Bookkeeper)

The following staff members left in 2022:

Stuart Forbes (Parliamentary Officer)
Tess Humble (COP26 Coalition Mobilisation Officer)
Alice Johnston (Head of Operations)
Anh-Quan Nguyen (COP26 Coalition Coordinator)
Anna Chorow (Bookkeeper)
Anne Kerr (Bookkeeper)
Flick Monk (COP26 Logistics Coordinator)
Hannah Ryan (Fundraising Officer)
Richard Dixon (Director)
Sally-Anne Dunn (HR Manager)

Funders

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

- Energy Transition Fund
- Foundation for Integrated Transport
- Joseph Rowntree Charitable Trust
- FoE International
- Leet Hill Charitable Trust
- Uplift
- Solberga Foundation
- Climate Change Collaboration
- European Climate Foundation
- Players of the People's Postcode Lottery
- The Estate of the late Mary Shaw Smart

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2022**

Achievements and performance

Business Review and Plans for the Future

In 2022 we undertook important reviews into our work around COP26 and wider organisational culture and ways of working. We also marked the departure of Richard Dixon, our Director of over a decade. We look forward to developing a new strategy in 2023 under the aegis of a new Director. Our new strategy will uphold our core commitment to tackling climate change and to doing so in a way that embraces social justice. We look forward to exploring how best FoES can work at the intersections of climate and social justice, in partnership with the wider movement, to deliver on our vision.

Financial review

In the year to 31 December 2022 the Society had a gross income of £934,449 and expenditure of £1,110,755. Total funds under management at 31 December 2022 were £799,827, of which £368,903 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). On the basis of these accounts this would require an unrestricted reserve of between £65,000 and £130,000 at the end of 2022.

The results for the year are set out on page 10 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 2022 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.

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.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

Mark Ballard

Mark Ballard

Chair

Dated: 26 May 2023

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 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 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 2022 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's 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

02-06-23

.....

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	2	217,314	26,008	243,322	379,522
Charitable activities	3	-	684,558	684,558	1,044,584
Other trading activities	4	6,456	-	6,456	7,096
Investments	5	113	-	113	1,531
Total income		223,883	710,566	934,449	1,432,733
Expenditure on:					
Raising funds	7	10,957	25,175	36,132	9,449
Charitable activities	8	264,909	809,714	1,074,623	1,495,015
Total resources expended		275,866	834,889	1,110,755	1,504,464
Net outgoing resources		(51,983)	(124,323)	(176,306)	(71,731)
Other gains or losses		(37)	-	(37)	(43)
Net movement in funds		(52,020)	(124,323)	(176,343)	(71,774)
Fund balances at 1 January 2022		420,923	555,247	976,170	1,047,944
Fund balances at 31 December 2022		368,903	430,924	799,827	976,170

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 2022

Prior financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:				
Donations and legacies	2	364,760	14,762	379,522
Charitable activities	3	-	1,044,584	1,044,584
Other trading activities	4	7,096	-	7,096
Investments	5	1,531	-	1,531
Total income		373,387	1,059,346	1,432,733
Expenditure on:				
Raising funds	7	9,449	-	9,449
Charitable activities	8	159,336	1,335,679	1,495,015
Total resources expended		168,785	1,335,679	1,504,464
Net outgoing resources		204,602	(276,333)	(71,731)
Other gains or losses		(43)	-	(43)
Net movement in funds		204,559	(276,333)	(71,774)
Fund balances at 1 January 2021		216,364	831,580	1,047,944
Fund balances at 31 December 2021		420,923	555,247	976,170

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		8,421		8,054
Current assets					
Debtors	14	114,324		224,932	
Cash at bank and in hand		836,616		1,063,415	
		<u>950,940</u>		<u>1,288,347</u>	
Creditors: amounts falling due within one year	15	<u>(159,534)</u>		<u>(320,231)</u>	
Net current assets			791,406		968,116
Total assets less current liabilities			<u>799,827</u>		<u>976,170</u>
Income funds					
Restricted funds	18		430,924		555,247
<u>Unrestricted funds</u>					
Designated funds	20	-		33,258	
General unrestricted funds		366,566		385,291	
Share capital		2,337		2,374	
		<u>368,903</u>		<u>420,923</u>	
			799,827		976,170
			<u>799,827</u>		<u>976,170</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005.

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 26 May 2023



Duncan Wallace
Trustee

Company registration number SP2066R(S)

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(222,348)		377,143
Investing activities					
Purchase of tangible fixed assets		(4,527)		(6,670)	
Investment income received		113		1,531	
Net cash used in investing activities			(4,414)		(5,139)
Financing activities					
Proceeds from issue of shares		91		130	
Purchase of own shares		(128)		(173)	
Net cash used in financing activities			(37)		(43)
Net (decrease)/increase in cash and cash equivalents			(226,799)		371,961
Cash and cash equivalents at beginning of year			1,063,415		691,454
Cash and cash equivalents at end of year			836,616		1,063,415

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 high inflation and high cost of living 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 high inflation and high cost of living. 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 compromise 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 2022

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 2022

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 2022

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 (2021 – 22) employees were members of the scheme.

2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and appeals	54,816	26,008	80,824	109,643	14,762	124,405
Legacies	-	-	-	94,082	-	94,082
Membership Subscriptions	162,498	-	162,498	161,035	-	161,035
	<u>217,314</u>	<u>26,008</u>	<u>243,322</u>	<u>364,760</u>	<u>14,762</u>	<u>379,522</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Income from charitable activities

	2022 £	2021 £
Grants	684,558	1,044,584

4 Income from other trading activities

	2022 £	2021 £
Other fundraising income	2,724	2,414
Income from events, raffle tickets, donations and groups	3,732	4,682
Other trading activities	6,456	7,096

5 Investments

	2022 £	2021 £
Interest receivable	113	1,531

6 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.

7 Analysis of expenditure on raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022 £	2022 £	2022 £	2021 £
<u>Fundraising and publicity</u>				
Membership schemes and social lotteries	10,957	25,175	36,132	9,449
	10,957	25,175	36,132	9,449

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	Total 2022 £	Total 2021 £
Staff costs	615,076	602,673
Depreciation and impairment	4,160	4,882
Design, printing & stationery	19,684	42,229
Affiliations & subscriptions	14,154	18,247
Telephone, website & internet costs	20,338	22,296
VAT recoverable	18,686	42,164
Professional fees & freelance costs	26,169	146,901
Campaigning & events	104,449	357,984
Insurance	-	920
Travelling expenses	5,369	7,766
I.T & strategic review	12,554	3,047
Equipment	4,500	4,826
Recruitment & training	16,185	11,230
Postage & Couriers	560	907
Volunteer expenses	257	-
	<u>862,141</u>	<u>1,266,072</u>
Share of support costs (see note 9)	204,098	213,945
Share of governance costs (see note 9)	8,384	14,998
	<u>1,074,623</u>	<u>1,495,015</u>
Analysis by fund		
Unrestricted funds	264,909	159,336
Restricted funds	809,714	1,335,679
	<u>1,074,623</u>	<u>1,495,015</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

Year ended 31 December 2022

	Support costs	Governance costs	2022	Basis of allocation
	£	£	£	
Staff costs	146,748	-	146,748	Time spent
Property costs	53,551	-	53,551	Direct
Insurance	3,799	-	3,799	Direct
Audit fees	-	6,300	6,300	Governance
Board & AGM expenses	-	1,781	1,781	Governance
Bank charges	-	303	303	Governance
	<u>204,098</u>	<u>8,384</u>	<u>212,482</u>	

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>	

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 (2021- £6,300) for audit fees.

10 Net movement in funds

	2022	2021
	£	£
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	6,300
Depreciation of owned tangible fixed assets	4,160	4,882
	<u>10,460</u>	<u>11,182</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Trustees

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

12 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	22	23
	<u> </u>	<u> </u>
Employment costs	2022	2021
	£	£
Wages and salaries	666,958	639,387
Social security costs	58,042	55,332
Other pension costs	36,824	37,225
	<u> </u>	<u> </u>
	<u>761,824</u>	<u>731,944</u>

The total amounts of employee benefits received by Key Management Personnel of the charity is £166,022 (2021 - £178,174). The charity considers its Key Management Personnel comprise the Director, Head of Campaigns, Head of Communication and Development & Head of Operations.

Travel and other expense payments of £nil (2021 : £nil) were made to Board members in the year.

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

13 Tangible fixed assets

	Fixtures and fittings
	£
Cost	
At 1 January 2022	47,387
Additions	4,527
	<u> </u>
At 31 December 2022	51,914
	<u> </u>
Depreciation and impairment	
At 1 January 2022	39,333
Depreciation charged in the year	4,160
	<u> </u>
At 31 December 2022	43,493
	<u> </u>
Carrying amount	
At 31 December 2022	8,421
	<u> </u>
At 31 December 2021	8,054
	<u> </u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	11,176	23,748
Other debtors	99,508	195,995
Prepayments and accrued income	3,640	5,189
	<u>114,324</u>	<u>224,932</u>

15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Other taxation and social security		13,476	20,266
Deferred income	16	120,930	240,930
Trade creditors		4,024	13,963
Other creditors		6,054	7,177
Accruals and deferred income		15,050	37,895
		<u>159,534</u>	<u>320,231</u>

16 Deferred income

	2022	2021
	£	£
Deferred grants received	<u>120,930</u>	<u>240,930</u>

Deferred income relates to the grant received from Rockefeller Philanthropy Advisors in respect of the Energy Transition project.

17 Share capital

	2022	2021
	£	£
Ordinary share capital		
Authorised		
Shares in issue at 1st January 2022	2,374	2,417
Shares issued during the year	91	130
Shares cancelled on members leaving	(128)	(173)
	<u>2,337</u>	<u>2,374</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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				
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
Current Year	£	£	£	£	£
Campaign & Development Work (PPL)	344,089	300,000	(327,234)	-	316,855
YFOES (Solberga)	-	22,000	(11,754)	-	10,246
COP Glasgow	106,888	30,090	(136,788)	-	190
Air Pollution (FIT)	4,205	35,000	(29,734)	-	9,471
Sustainable Finance (JRCT)	29,264	29,934	(45,597)	-	13,601
Sustainable Finance (CCC)	12,560	27,870	(28,412)	-	12,018
Sustainable Finance (Appeal and Donations)	451	-	-	-	451
Food Sovereignty (FoEI)	2,949	51,946	(55,918)	-	(1,023)
Plastics Campaign (Donations)	-	5,908	-	-	5,908
Oil & Gas	54,841	207,818	(199,452)	-	63,207
	<u>555,247</u>	<u>710,566</u>	<u>(834,889)</u>	<u>-</u>	<u>430,924</u>

	Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
Prior Year	£	£	£	£	£
Campaign & Development Work (PPL)	600,373	-	(256,284)	-	344,089
YFOES (Solberga)	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 2022

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:

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.

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.

COP 26 (Appeal and Donations)

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

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.

Sustainable Finance (JRCT)

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

Sustainable Finance (CCC)

Grant from Ashden Trust, in conjunction with 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.

ECF Oil and Gas

Supporting our work hydrogen and challenging greenwashing.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Restricted funds

(Continued)

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.

Solberga

Supporting our work to strengthen the climate youth movement in Scotland.

19 Unrestricted General Funds

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

	Movement in funds				
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
Current year	£	£	£	£	£
General Fund	385,291	223,883	(240,331)	(2,277)	366,566
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
Prior year	£	£	£	£	£
General Fund	143,580	373,387	(168,785)	37,109	385,291
	<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 2022

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 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
Current year	£	£	£	£	£
Legacy Funds	33,258	-	(35,535)	2,277	-
	<u>33,258</u>	<u>-</u>	<u>(35,535)</u>	<u>2,277</u>	<u>-</u>

	Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
Prior 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>

The above amount relates 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 2022

21 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	5,375	-	3,046	8,421
Current assets/(liabilities)	363,528	-	427,878	791,406
	<u>368,903</u>	<u>-</u>	<u>430,924</u>	<u>799,827</u>

	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>

22 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:

	2022 £	2021 £
Within one year	55,446	55,312
Between two and five years	112,079	42,304
	<u>167,525</u>	<u>97,616</u>

23 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Cash generated from operations	2022	2021
	£	£
Deficit for the year	(176,306)	(71,731)
Adjustments for:		
Investment income recognised in statement of financial activities	(113)	(1,531)
Depreciation and impairment of tangible fixed assets	4,160	4,881
Movements in working capital:		
Decrease in debtors	110,608	158,340
(Decrease)/increase in creditors	(40,697)	46,254
(Decrease)/increase in deferred income	(120,000)	240,930
	<u> </u>	<u> </u>
Cash (absorbed by)/generated from operations	(222,348)	377,143
	<u> </u>	<u> </u>