

**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 2023**

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

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# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## CHAIRPERSON'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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2023 has been a year of change, consolidation and development, internally and externally. After the arrival of a new Director at the beginning of the year, and with active participation of our staff, directors and key partners, we developed our 2024-26 strategy, a process completed in September 2023. The task of leading the translation of the strategy into an effective and meaningful organisational workplan was taken on by our Interim CEO in September 2023 following the departure of our Director after a period of ill health. The range of engagement in the process produced a coherent, co-ordinated and focused programme of work for 2024.

Meanwhile, under the leadership of the Head of Finance and Operations, the organisation was able to transform its financial and HR systems into reliable and supportive tools for better and more effective operational management.

Crucially, the Senior Management Team led on implementing the 'new ways of working' recommended by the 2022 culture review, with a clear momentum in the last quarter of the year.

Externally we continued to focus our campaigning against climate breakdown, including a very visible Stop Rosebank oil field campaign. On the first day of the UN climate talks in Dubai, we were outside the Scottish Parliament to highlight the huge dangers of the proposal from energy giants SSE and Equinor to extend Peterhead power station and explained how no part of this plan to increase fossil fuel burning stands up to scrutiny. We continued to demand a just transition for Scotland and alongside our partner charity Platform we released a ground-breaking report "Our Power: Offshore workers' demands for a just energy transition". We have also seen the solidarity built between climate and labour activists grow significantly over the last year. But most of all, through many creative and engaging events and initiatives we continued to alert and engage with groups, organisations and members of the public on climate issues.

Exemplifying this creative approach, the campaign for divestment from fossil fuels took to the streets across Scotland, with groups from Haddington, the Scottish Borders, Edinburgh, Argyll and Bute and Glasgow calling in different ways for local leaders to 'Divest from Crisis, Invest in Our Future'. Meanwhile we worked with our colleagues at [Friends of the Earth England, Wales & Northern Ireland](#) and [Platform](#) to uncover the very problematic investment strategies of council pension funds across the UK.

In the North East of Scotland, we focused on grassroots campaigning, bringing people together to campaign for the energy and social transition we need. As with many of our campaigns, 2023 has been a year of highs and lows for our promotion of a circular economy for Scotland – the delay to deposit return was a heavy blow but the introduction of a Circular Economy Bill offers a huge opportunity for change in the way we manage materials.

This year saw also the sad and untimely death of Rachel Howell shortly after she left the board of Friends of the Earth Scotland after service as a trustee for several years. Rachel was a passionate and committed environmental activist, campaigner and academic. She will be much missed, and we are deeply grateful to Rachel and her family for the substantial legacy she left Friends of the Earth Scotland.

Giving us hope for the future, Young Friends of the Earth Scotland continued to foster a growing movement of young people actively engaging with environmental issues, learning and developing campaigning and leadership skills on the way.

On a deeply depressing note internationally, we joined the international climate community in calling for a ceasefire, the unconditional release of all hostages, and an end to the illegal occupation of Palestine. We continue to stand in solidarity with our Palestinian colleagues from Pengon (FoE Palestine) and reasserted that climate justice means standing up against all forms of oppression.

We are ready to continue to build on these achievements in 2024.

*Mark Ballard*

Mark Ballard  
**Chairperson**

Date: 15 May 2024

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The trustees present their report and financial statements for the year ended 31 December 2023.

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 2023 are listed on Page 3 of the accounts.

##### 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

Gracie Bradley served as a Director from 30 January 2023 to 1 February 2024.

The following staff members joined us in 2023:

Alison Ritchie (Head of Operations)  
Rosie Hampton (Just Transition Campaigner)  
Susan Scott (Admin Assistant)

The following staff members left in 2023:

Wing Yen Yip (Membership and Finance Officer)  
Gavin Thompson (Transport Campaigner)  
Mary Church (Head of Campaigns)  
Ryan Morrison (Just Transition Campaigner)

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 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 Rachel Howell

#### Financial review

In the year to 31 December 2023 the Society had a gross income of £1,035,878 (2022 - £934,449) and expenditure of £1,066,958 (2022 - £1,110,755). Total funds under management at 31 December 2023 were £768,691 (2022 - £799,827), of which £720,933 was held in unrestricted funds (2022 - £685,758).

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 £155,000 and £310,000 at the end of 2023.

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 2023 the principal funding sources of Friends of the Earth Scotland were 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 2023

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#### Reference and Administrative Information

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

Chairperson	Laura Curtis-Moss (Resigned 09.02.2023) Mark Ballard
Secretary	Rowan Gard (Resigned 03.09.2023)
Treasurer	Catherine Lyons
Directors	Florence Garabedian (Interim CEO, appointed 01.10.2023) Andrew Jermey-Boys (Appointed 07.11.2022, Resigned 30.01.2023) Gracie Mae Bradley (Appointed 30.01.2023, Resigned 01.02.2024)
Staff Representative	Post vacant
Board Members	Professor Iain Black (Resigned 03.06.2023) Daisy Jamieson (Resigned 23.05.2023) Laura Curtis-Moss (Resigned 31.01.2023) Mona Moufahim (Resigned 01.10.2023) Rona Hardie (Appointed 03.06.2023) Ery McPartland (Appointed 03.06.2023) Chris Stanley (Appointed 07.09.2023) Stewart Kirkpatrick (Resigned 10.04.2024) Duncan Wallace
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 2023**

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### **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; 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.

*Catherine Lyons*

Catherine Lyons

Treasurer

Dated: 15 May 2024

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

We have audited the financial statements of Friends of the Earth (Scotland) Limited (the 'charity') for the year ended 31 December 2023 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 2023 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

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#### **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

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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

22-05-24

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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 2023

Current financial year		As restated Unrestricted funds 2023 £	As restated Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
<b><u>Income from:</u></b>					
Donations and legacies	2	361,912	84,046	445,958	243,322
Charitable activities	3	300,000	281,045	581,045	684,558
Other trading activities	4	5,108	-	5,108	6,456
Investments	5	3,767	-	3,767	113
<b>Total income</b>		<b>670,787</b>	<b>365,091</b>	<b>1,035,878</b>	<b>934,449</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	10,016	-	10,016	36,132
Charitable activities	8	625,540	431,402	1,056,942	1,074,623
<b>Total resources expended</b>		<b>635,556</b>	<b>431,402</b>	<b>1,066,958</b>	<b>1,110,755</b>
<b>Net incoming/(outgoing) resources</b>		<b>35,231</b>	<b>(66,311)</b>	<b>(31,080)</b>	<b>(176,306)</b>
Other gains or losses		(56)	-	(56)	(37)
<b>Net movement in funds</b>		<b>35,175</b>	<b>(66,311)</b>	<b>(31,136)</b>	<b>(176,343)</b>
Fund balances at 1 January 2023		685,758	114,069	799,827	976,170
<b>Fund balances at 31 December 2023</b>		<b>720,933</b>	<b>47,758</b>	<b>768,691</b>	<b>799,827</b>

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 2023

Prior financial year		As restated Unrestricted funds 2022 £	As restated Restricted funds 2022 £	Total 2022 £
	Notes			
<b><u>Income from:</u></b>				
Donations and legacies	2	217,314	26,008	243,322
Charitable activities	3	300,000	384,558	684,558
Other trading activities	4	6,456	-	6,456
Investments	5	113	-	113
<b>Total income</b>		523,883	410,566	934,449
<b><u>Expenditure on:</u></b>				
Raising funds	7	10,957	25,175	36,132
Charitable activities	8	592,143	482,480	1,074,623
<b>Total resources expended</b>		603,100	507,655	1,110,755
<b>Net incoming/(outgoing) resources</b>		(79,217)	(97,089)	(176,306)
Other gains or losses		(37)	-	(37)
<b>Net movement in funds</b>		(79,254)	(97,089)	(176,343)
Fund balances at 1 January 2022		765,012	211,158	976,170
<b>Fund balances at 31 December 2022</b>		685,758	114,069	799,827

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		5,888		8,421
<b>Current assets</b>					
Debtors	14	101,865		114,324	
Cash at bank and in hand		739,717		836,616	
		<u>841,582</u>		<u>950,940</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(78,779)</u>		<u>(159,534)</u>	
Net current assets			762,803		791,406
<b>Total assets less current liabilities</b>			<u>768,691</u>		<u>799,827</u>
<b>Income funds</b>					
Restricted funds	18		47,758		114,069
<u>Unrestricted funds</u>					
General unrestricted funds	19	718,652		683,421	
Share capital		<u>2,281</u>		<u>2,337</u>	
			720,933		685,758
			<u>768,691</u>		<u>799,827</u>

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

The financial statements were approved by the Trustees on 15 May 2024

*Catherine Lyons*

**Catherine Lyons**  
Trustee

**Company registration number SP2066R(S)**

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(98,000)		(222,348)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,610)		(4,527)	
Investment income received		3,767		113	
		<hr/>		<hr/>	
<b>Net cash generated from/(used in) investing activities</b>			1,157		(4,414)
<b>Financing activities</b>					
Proceeds from issue of shares		81		91	
Purchase of own shares		(137)		(128)	
		<hr/>		<hr/>	
<b>Net cash used in financing activities</b>			(56)		(37)
<b>Net decrease in cash and cash equivalents</b>			(96,899)		(226,799)
Cash and cash equivalents at beginning of year			836,616		1,063,415
			<hr/>		<hr/>
<b>Cash and cash equivalents at end of year</b>			739,717		836,616
			<hr/> <hr/>		<hr/> <hr/>

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 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 2023

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#### 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 2023

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### 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	25% Straight Line
IT equipment	25% 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 2023

#### 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 (2022 – 22) employees were members of the scheme.

#### 2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and appeals	48,589	83,938	132,527	54,816	26,008	80,824
Legacies	150,000	-	150,000	-	-	-
Membership Subscriptions	163,323	108	163,431	162,498	-	162,498
	<u>361,912</u>	<u>84,046</u>	<u>445,958</u>	<u>217,314</u>	<u>26,008</u>	<u>243,322</u>

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 3 Income from charitable activities

	2023 £	2022 £
Grants	581,045	684,558
	<u>581,045</u>	<u>684,558</u>
Analysis by fund		
Unrestricted funds	300,000	300,000
Restricted funds	281,045	384,558
	<u>581,045</u>	<u>684,558</u>

### 4 Income from other trading activities

	2023 £	2022 £
Other fundraising income	1,788	2,724
Membership subscriptions and sponsorships which are in substance a payment for goods and services	200	-
Income from events, raffle tickets, donations and groups	3,120	3,732
	<u>5,108</u>	<u>6,456</u>
Other trading activities	5,108	6,456
	<u>5,108</u>	<u>6,456</u>

### 5 Investments

	2023 £	2022 £
Interest receivable	3,767	113
	<u>3,767</u>	<u>113</u>

### 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.

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 7 Analysis of expenditure on raising funds

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2023	2022	2022	2022
	£	£	£	£
<u>Fundraising and publicity</u>				
Membership schemes and social lotteries	10,016	10,957	25,175	36,132
	<u>10,016</u>	<u>10,957</u>	<u>25,175</u>	<u>36,132</u>

### 8 Charitable activities

	Total 2023 £	Total 2022 £
Staff costs	660,818	615,076
Depreciation and impairment	5,143	4,160
Design, printing & stationery	12,505	19,684
Affiliations & subscriptions	25,314	14,154
Telephone, website & internet costs	16,179	20,338
VAT recoverable	21,734	18,686
Professional fees & freelance costs	92,628	26,169
Campaigning & events	39,190	104,449
Insurance	2,612	-
Travelling expenses	8,850	5,369
I.T & strategic review	12,258	12,554
Equipment	8,747	4,500
Recruitment & training	6,357	16,185
Postage & Couriers	1,281	560
Volunteer expenses	245	257
	<u>913,861</u>	<u>862,141</u>
Share of support costs (see note 9)	134,731	204,098
Share of governance costs (see note 9)	8,350	8,384
	<u>1,056,942</u>	<u>1,074,623</u>
<b>Analysis by fund</b>		
Unrestricted funds	625,540	592,143
Restricted funds	431,402	482,480
	<u>1,056,942</u>	<u>1,074,623</u>

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 9 Support costs

##### Year ended 31 December 2023

	Support costs	Governance costs	2023	Basis of allocation
	£	£	£	
Staff costs	80,198	-	80,198	Time spent
Property costs	51,541	-	51,541	Direct
Insurance	2,992	-	2,992	Direct
Audit fees	-	6,300	6,300	Governance
Board & AGM expenses	-	1,720	1,720	Governance
Bank charges	-	330	330	Governance
	<u>134,731</u>	<u>8,350</u>	<u>143,081</u>	

##### 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>	

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 (2022- £6,300) for audit fees.

#### 10 Net movement in funds

	2023	2022
	£	£
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	5,143	4,160
	<u>11,443</u>	<u>10,460</u>

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 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:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
	22	22
	<u>22</u>	<u>22</u>
<b>Employment costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	659,884	666,958
Social security costs	49,116	58,042
Other pension costs	32,016	36,824
	<u>741,016</u>	<u>761,824</u>
	<u>741,016</u>	<u>761,824</u>

The total amounts of employee benefits received by Key Management Personnel of the charity is £158,330 (2022 - £166,022). 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 (2022 : £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

	<b>Fixtures and fittings</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2023	51,914
Additions	2,610
	<u>54,524</u>
At 31 December 2023	54,524
	<u>54,524</u>
<b>Depreciation and impairment</b>	
At 1 January 2023	43,493
Depreciation charged in the year	5,143
	<u>48,636</u>
At 31 December 2023	48,636
	<u>48,636</u>
<b>Carrying amount</b>	
At 31 December 2023	5,888
	<u>5,888</u>
At 31 December 2022	8,421
	<u>8,421</u>

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# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 14 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	9,203	11,176
Other debtors	87,497	99,508
Prepayments and accrued income	5,165	3,640
	<u>101,865</u>	<u>114,324</u>

### 15 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Other taxation and social security		16,729	13,476
Deferred income	16	9,628	120,930
Trade creditors		20,760	4,024
Other creditors		6,508	6,054
Accruals and deferred income		25,154	15,050
		<u>78,779</u>	<u>159,534</u>

### 16 Deferred income

	2023	2022
	£	£
Deferred grants received	9,628	120,930
	<u>9,628</u>	<u>120,930</u>

Deferred income relates to the grant received from Social Change Nest (SCN) in respect of the the campaign to end oil and gas extraction in the UK.

### 17 Share capital

	2023	2022
	£	£
<b>Ordinary share capital</b>		
<b>Authorised</b>		
Shares in issue at 1st January 2023	2,337	2,374
Shares issued during the year	81	91
Shares cancelled on members leaving	(137)	(128)
	<u>2,281</u>	<u>2,337</u>
Shares in issue at 31st December 2023	<u>2,281</u>	<u>2,337</u>

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 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				
	As restated Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Balance at 31 December 2023
<b>Current Year</b>	£	£	£	£	£
YFOES (Solberga)	10,246	23,000	(34,620)	-	(1,374)
COP Glasgow	190	-	-	-	190
Air Pollution (FIT)	9,471	4,502	(13,995)	-	(22)
Sustainable Finance (JRCT)	13,601	9,978	(23,620)	-	(41)
Sustainable Finance (JRCT2)	-	48,657	(26,338)	-	22,319
Sustainable Finance (CCC)	12,018	44,686	(47,315)	-	9,389
Sustainable Finance (Appeal and Donations)	451	-	-	-	451
Food Sovereignty (FoEI)	(1,023)	55,387	(60,151)	-	(5,787)
Plastics Campaign (Donations)	5,908	-	-	-	5,908
Just Transition (Appeal and Donations)	-	23,473	(22,006)	-	1,467
Just and Green Recovery	-	12,168	(3,397)	-	8,771
Oil & Gas	63,207	143,240	(199,960)	-	6,487
	<u>114,069</u>	<u>365,091</u>	<u>(431,402)</u>	<u>-</u>	<u>47,758</u>

	Movement in funds				
	As restated Balance at 1 January 2022	As restated Incoming resources	As restated Resources expended	As restated Transfers	As restated Balance at 31 December 2022
<b>Prior Year</b>	£	£	£	£	£
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>211,158</u>	<u>410,566</u>	<u>(507,655)</u>	<u>-</u>	<u>114,069</u>



# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 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 2023

### 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.

#### Just Transition Appeal

Donations from our members in response to our appeal supporting a just transition for oil and gas workers.

#### Just and Green Recovery Patagonia

Grant from Patagonia supporting our activism work for a just transition.

### 19 Unrestricted General Funds

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

	Movement in funds				
	As restated Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Balance at 31 December 2023
Current year	£	£	£	£	£
General Fund	683,421	670,787	(635,556)	-	718,652
	=====	=====	=====	=====	=====

	Movement in funds				
	As restated Balance at 1 January 2022	As restated Incoming resources	As restated Resources expended	As restated Transfers	As restated Balance at 31 December 2022
Prior year	£	£	£	£	£
General Fund	729,380	523,883	(567,565)	(2,277)	683,421
	=====	=====	=====	=====	=====

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 2023

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### 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 31 December 2023
	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	
<b>Current year</b>	£	£	£	£	£
Legacy Funds	-	-	-	-	-

	Movement in funds				Balance at 31 December 2022
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	
<b>Prior year</b>	£	£	£	£	£
Legacy Funds	33,258	-	35,535	2,277	-

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 2023

#### 21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible assets	4,178	-	1,710	5,888
Current assets/(liabilities)	716,755	-	46,048	762,803
	<u>720,933</u>	<u>-</u>	<u>47,758</u>	<u>768,691</u>

	Unrestricted funds As restated 2022 £	Designated funds As restated 2022 £	Restricted funds As restated 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	5,375	-	3,046	8,421
Current assets/(liabilities)	680,383	-	111,023	791,406
	<u>685,758</u>	<u>-</u>	<u>114,069</u>	<u>799,827</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:

	2023 £	2022 £
Within one year	55,792	55,446
Between two and five years	58,429	112,079
	<u>114,221</u>	<u>167,525</u>

#### 23 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

# FRIENDS OF THE EARTH (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 24 Prior period adjustment

During the completion of the 2023 accounts, it became apparent that the Peoples Postcode Lottery funding had incorrectly been disclosed as restricted funds when they should have been treated as unrestricted funds. These have now been reallocated to the correct fund. The overall effect does not result in any movement in the total reserves figures previously disclosed.

Restricted funds per 2022 statutory accounts	£430,924
Campaign and Development Work (PPL) reclassified	-316,855
	<hr/>
Restricted funds as restated at 2022	£114,069
	<hr/> <hr/>
Unrestricted funds per 2022 statutory accounts	£366,566
Campaign and Development Work (PPL) reclassified	316,855
	<hr/>
Unrestricted funds as restated at 2022	£683,421
	<hr/> <hr/>

25 Cash generated from operations	2023	2022
	£	£
Deficit for the year	(31,080)	(176,306)
Adjustments for:		
Investment income recognised in statement of financial activities	(3,767)	(113)
Depreciation and impairment of tangible fixed assets	5,143	4,160
Movements in working capital:		
Decrease in debtors	12,459	110,608
Increase/(decrease) in creditors	30,547	(40,697)
(Decrease) in deferred income	(111,302)	(120,000)
	<hr/>	<hr/>
<b>Cash absorbed by operations</b>	<b>(98,000)</b>	<b>(222,348)</b>
	<hr/> <hr/>	<hr/> <hr/>