

# **Scottish Power Foundation**

**Report and financial statements for  
for the year ended 31 December 2021**

**Charity number: SC043862**

**Company number: SC445116**

# Scottish Power Foundation

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## Scottish Power Foundation

### Company information

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<b>Trustees</b>	Mike Thornton OBE (Chairman) Melanie Hill (Executive Officer) Keith Anderson Anita Longley Sarah Mistry Stuart MacQuarrie (Appointed 5 January 2022) Louise Smith (Appointed 5 January 2022)
<b>Secretary</b>	Rebecca Fairley
<b>Registered office</b>	320 St Vincent Street Glasgow G2 5AD
<b>Independent auditor</b>	Henderson Loggie LLP 45 Queens Road Aberdeen AB15 4ZN
<b>Bankers</b>	Triodos Bank Deanery Road Bristol BS1 5AS
<b>Solicitors</b>	Burness Paul LLP 120 Bothwell Street Glasgow G2 7JL
<b>Charity registration number</b>	SC043862
<b>Company registration number</b>	SC445116

## Scottish Power Foundation

### Trustees report for the year ended 31 December 2021

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The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2021. The legal and administrative information on page one forms part of this report.

#### Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during 2021 were as follows:

Michael Thornton OBE (Chair)  
Melanie Hill (Executive Officer)  
Keith Anderson  
Sarah Mistry  
Anita Longley

#### Structure, Governance and Management

##### Governing Documents

The Foundation is a registered Scottish Charity (SC043862) and is a company limited by guarantee (Registered Company No: SC445116) incorporated on 14 March 2013. In accordance with its Memorandum and Articles of Association, the Foundation was created within the United Kingdom to contribute to the public interest. The Trustees intend to meet at least three times per year. The Foundation considers applications for charitable purposes and there are five main categories of funding:

- The advancement of education.
- The advancement of environmental protection.
- The advancement of the arts, heritage, culture or science.
- The prevention or relief of poverty and the relief of those in need by reason of disability or other disadvantage.
- The advancement of citizenship and community development.

Together with the Memorandum and Articles of Association (the "Articles"), the Foundation is internally governed by the Good Governance Code (the "Code"). The Articles were renewed and adopted by written Resolution on 24 December 2018 and the Code was revised and approved by the Board of Trustees on 26 September 2018. The Code interprets and further complements the Articles in accordance with generally recognised principles, missions and values in the area of charitable entities, within the framework of its foundational purposes, and which is an instrument that serves as a guide for the Trustees and other personnel providing their services at the Foundation to carry out their activities in conformance with such principles, mission and values.

The Foundation's complete governance system comprises the Articles, the Code, the Compliance Regulations, the Anti-Bribery and Corruption Policy, the Code of Ethics, the Data Protection Policy and the Written Statement on Safeguarding Policy, which, together with applicable law, constitute its basic rules. All of these documents are publicly available on the website at: [www.scottishpowerfoundation.com](http://www.scottishpowerfoundation.com)

## Trustees report for the year ended 31 December 2021

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### Recruitment and Appointment of Trustees

There shall be a minimum of three Trustees and a maximum of seven Trustees. Independent Trustees should always outnumber the internal Trustees in accordance with Article 56 of the Articles. New internal Trustees shall be appointed by Scottish Power Limited in its own absolute discretion.

Keith Anderson was appointed to the Board on 14 March 2013, and Melanie Hill was appointed on 19 September 2019. On 16<sup>th</sup> April 2018 Anita Longley was appointed to the Board and Sarah Mistry was re-appointed as Trustee for a further five-year term. Mike Thornton was re-appointed as Trustee for a further five-year term on 26 September 2018. During 2020 the Board agreed the individuals who would form the Nominations Committee to determine the appointment in 2021 of two additional Independent Trustees. A recruitment process was undertaken for two additional Independent Trustees however was not yet concluded by 31 December 2021.

### Trustee Induction and Training

New Trustees will be provided with a welcome pack which includes, in addition to information around the Foundation corporate governance system, various training presentations prepared by our external legal advisors, as well as various best practice documentation prepared by OSCR. All this information details their duties as a charity trustee, their obligations and how they need to remain independent. Frequent training is provided to the Trustees in relation to corporate governance matters, and additional training is provided from time to time as required. A skills and experience audit of Trustees will be carried out at least every three years.

Trustees will be provided background and information on the Foundation including previous Board minutes, contact details for all other current Trustees and a list of currently funded projects. They will also be directed to the Foundation website which details how applicants can apply for funding and will be provided with detailed information for all projects that are currently being funded.

Trustees' appointments will be held by individuals who are well known at the domestic or international level in the various areas covered by the Foundation's purposes, taking into account the geographic diversity in which it carries out its activities.

### Risk Management

The Trustees give due consideration to risks faced by the Foundation at their regular Trustee meetings. A Meeting Agenda is circulated in advance and all matters arising are discussed at this forum. In particular, issues in relation to Foundation funding and potential conflicts of interest are discussed at each Board meeting. A Risk Register is maintained outlining the principal risks faced by the Foundation and the steps taken to ameliorate them. That Register is regularly reviewed by the Trustees and updated as required.

### Organisational Structure

The Foundation is administered and managed by the Trustees. In 2021 there was a small board of Trustees, comprising five Trustees, two internal and three independent. A quorum of the Trustees shall comprise at least one internal Trustee and three Independent Trustees. In accordance with the Articles, there shall be a minimum of three Trustees and a maximum of seven Trustees. The proceedings of the Trustees are governed in accordance with the Articles which includes provision for the appointment of a Chairman.

In terms of the current Articles, an Independent Trustee will hold the position for an initial term of four years, after which they may be re-elected to one more period of four years. Scottish Power Limited nominated the first Company Secretary and, thereafter, the Trustees have and shall elect subsequent Company Secretaries and determine the period for which their office is to be held.

## Scottish Power Foundation

### Trustees report for the year ended 31 December 2021

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#### Related Parties

The entities below are those that were related to the Foundation during 2021, primarily through the attachment of Trustees to the entities in question:

British Geriatrics Society  
Court of Aberdeen University  
CBI Scotland  
Corporate Responsibility Group Ltd  
Energy Saving Trust  
Edinburgh Children's Hospital  
Gender Links (South African NGO)  
Institute of Corporate Responsibility and Sustainability  
Iberdrola and all subsidiary companies  
Iberdrola Foundation  
Scottish Grantmakers  
Wainwright Book Prize (Judge)  
Warmworks LLP  
Arbed am Byth

#### Objectives and Activities

Since its incorporation on 14 March 2013, the Foundation has provided funding to registered charities and non-profit organisations for the following purposes:

- The advancement of education
- The advancement of environmental protection
- The advancement of the arts, heritage, culture, or science
- The prevention or relief of poverty and the relief of those in need by reason of disability or another disadvantage
- The advancement of citizenship and community development.

Decisions to award funding are made independently of Scottish Power Limited by the Foundation's experienced Board of Trustees who have a special interest in the above areas.

The Foundation is funded by contributions from Scottish Power Limited.

The Iberdrola Group Foundations Committee sets the general strategy, planning, evaluation and reporting for all Foundations established by the Iberdrola Group. The Iberdrola Foundations Master Plan 2018-2021 serves as a guide for all of the Foundations to prioritise and align actions of common interest, whilst taking into account the individual requirements of each country. It places a particular emphasis on contributing towards the UN Sustainable Development Goals (SDGs). Within this framework, the Foundation publishes an Annual Plan each year, setting out its budget, annual funding programme and indicators for evaluating success.

#### Achievements and Performance

In 2021, the Foundation awarded funding of almost £1.2 million to 16 registered charities to support their work throughout the UK. Funding is awarded on an annual basis.

Supported projects in 2021 included 'Action for Nature in Ayrshire' which supported volunteers and community groups to deliver activities to boost biodiversity and improve access to the greenspaces in their area. The SAMEE charity's 'Disabled Entrepreneurs Business Start-Up Service' recruited and supported 81 disabled adults in the Bournemouth area to start and develop their own businesses to enable more financial independence. Thanks to a second year of funding, Size of Wales brought a cohort of Youth Climate Ambassadors to COP26 where they tabled resolutions decided on at a Four Nations MockCOP with participants from high schools from across the UK.

## Scottish Power Foundation

### Trustees report for the year ended 31 December 2021

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#### Achievements and Performance (continued)

In January 2021, the Foundation held a welcome meeting for all of the charities who were successful in securing funding. The event provided them with an insight into what to expect from the Foundation during the year, as well as an opportunity to network with other like-minded organisations.

In March 2021, the Foundation launched the Marine Biodiversity Fund which invited applications from registered charities working to protect and preserve the marine environment. After a competitive tender process, WWF was awarded a grant of up to £600,000 over three years for the Restoration Forth project.

The annual ScottishPower Foundation Awards were announced on social media in September 2021 and provided £30,000 of additional funding to projects through four awards including the Charity Champion Award, which gives special recognition to individuals working in the charitable sector for personal dedication.

Following a competitive application process for funding of projects, 19 applicants were shortlisted by Trustees in October 2021 and will be awarded funding for projects to be delivered in 2022 subject to budget and contract.

#### Principal Funding Sources

During the financial year of 2021, Scottish Power Limited has contributed £1,370,000 to the Foundation. A further donation of £1,370,000 has been committed for the financial year 2022.

#### Investment Policy

Aside from retaining a prudent amount in reserves each period, most of the charity's funds are to be spent in the short term so there are few funds for long term investment. The Foundation presently holds a Charity Current Account with Triodos Bank.

The Foundation's banking arrangements will be reviewed on an ongoing basis, thereby ensuring maximum returns for the Foundation as far as possible.

#### Reserves Policy

The Trustees regularly consider the level of reserves required taking into account their current and future liabilities. The Trustees aim to maintain free reserves in unrestricted funds at a level to cover any incidental costs that would be incurred in the event of the winding up of the Foundation.

The Trustees considered the reserve level at their meeting on 26 October 2021 and agreed that current reserves were more than sufficient. Accordingly, it was agreed that £20,000 of existing unrestricted reserves could be used to fund awards for 2022.

The balance held as unrestricted funds at 31 December 2021 was £71,700 and is regarded as free reserves. There were no restricted funds at 31 December 2021 (2020 - £200,000), following the donations made, and committed to, in the year towards the WWF's Marine Biodiversity Fund multi-year project.

The Foundation currently has a committed donation from Scottish Power Limited of £1,370,000 for 2022 to pay donations and grants that have been approved and agreed to be paid in 2022 and beyond. The current level of reserves is therefore sufficient to meet the Foundation's requirements for 2022.

## Scottish Power Foundation

### Trustees report for the year ended 31 December 2021

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#### Plans for Future Periods

The Foundation intends to continue to provide funding in future years, subject to satisfactory funding arrangements. Future funding will be requested from Scottish Power Limited, which remains committed to the support of the Foundation. The Trustees will continue to review opportunities to increase funding where appropriate.

The Board of Trustees shall meet at least three times per year. The first meeting shall take place within the first six months and shall be held for the purpose of, among other things, approving the annual financial statements. Another meeting shall be held during the last third or quarter of the year to approve the plan of activities for the next financial year.

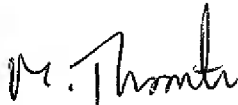
In addition to the three mandatory meetings provided for in the Code, the Board of Trustees may meet as many times as is required for the proper operation of the Foundation.

#### Statement of Disclosure to the Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on 7 March 2022 and signed on their behalf by:



**Mike Thornton**  
Chairman



## Scottish Power Foundation

### Statement of Trustees' responsibilities

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The charity's Trustees (who are also the directors of the Scottish Power Foundation for the purposes of company law) are responsible for preparing the Trustees annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities registered in Scotland and under 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 charitable company and of the incoming resources and application of resources of the charitable company for that period. 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The Trustees are responsible for keeping proper 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Opinion

We have audited the financial statements of Scottish Power Foundation for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 authorized 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 report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**Independent auditor's report to the members and Trustees for the year ended 31 December 2021  
(continued)**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report included within the Directors report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report included within the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of 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 charitable company'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's or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members and Trustees for the year ended 31 December 2021  
(continued)

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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

- Enquiries with those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which Scottish Power Foundation operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with UK charity law and regulation, anti-bribery and corruption; and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

**Scottish Power Foundation**

**Independent auditor's report to the members and Trustees for the year ended 31 December 2021  
(continued)**

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Fiona Morgan*

**Fiona Morgan (Senior Statutory Auditor)**

For and on behalf of Henderson Loggie LLP

Chartered Accountants

45 Queens Road

Aberdeen

AB15 4ZN

(Eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006)

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Scottish Power Foundation

Statement of financial activities (incorporating income and expenditure account)  
for the year ended 31 December 2021

	Note	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Unrestricted £	2020 Restricted	2020 Total
<b>Income</b>							
Donations	2	1,170,000	200,000	1,370,000	1,146,600	200,000	1,346,600
Investments	3	198	-	198	216	-	216
<b>Total income</b>		<b>1,170,198</b>	<b>200,000</b>	<b>1,370,198</b>	<b>1,146,816</b>	<b>200,000</b>	<b>1,346,816</b>
<b>Expenditure</b>							
Charitable activities	4	1,224,256	400,000	1,624,256	1,249,623	-	1,249,623
<b>Total expenditure</b>		<b>1,224,256</b>	<b>400,000</b>	<b>1,624,256</b>	<b>1,249,623</b>	<b>-</b>	<b>1,249,623</b>
<b>Net movement in funds</b>		<b>(54,058)</b>	<b>(200,000)</b>	<b>(254,058)</b>	<b>(102,807)</b>	<b>200,000</b>	<b>97,193</b>
Total funds brought forward		125,758	200,000	325,758	228,565	-	228,565
<b>Total funds carried forward</b>	9	<b>71,700</b>	<b>-</b>	<b>71,700</b>	<b>125,758</b>	<b>200,000</b>	<b>325,758</b>

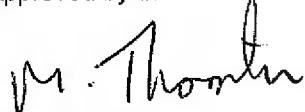
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

## Scottish Power Foundation

### Balance sheet at 31 December 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	7	699	590
Cash at bank and in hand		274,602	328,289
<b>Total current assets</b>		<b>275,301</b>	<b>328,879</b>
<b>Liabilities</b>			
Creditors falling due within one year	8	(203,601)	(3,121)
<b>Net current assets</b>		<b>71,700</b>	<b>325,758</b>
<b>Net assets</b>		<b>71,700</b>	<b>325,758</b>
		=====	=====
<b>Funds</b>			
Restricted Funds	9	-	200,000
Unrestricted funds	9	71,700	125,758
<b>Total Funds</b>		<b>71,700</b>	<b>325,758</b>
		=====	=====

Approved by the Trustees on 7 March 2022 and signed on their behalf by:



**Mike Thornton**  
Chairman

Scottish Power Foundation

Statement of cash flows for the year ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows (used in)/from operating activities</b>			
Net cash (used in)/provided by operating activities	11	<b>(53,885)</b>	99,000
<b>Cash flows from investing activities</b>			
Investment income		198	216
<b>Net cash provided by investing activities</b>		198	216
<b>Change in cash and cash equivalents for the year</b>		<b>(53,687)</b>	99,216
Cash and cash equivalents brought forward		<b>328,289</b>	229,073
<b>Cash and cash equivalents carried forward</b>		<b>274,602</b>	328,289
Being:			
Cash at bank and in hand		<b>274,602</b>	328,289



**1 Accounting policies**

**Charity information**

Scottish Power Foundation is a charitable company registered in Scotland. The principle address is 320 St Vincent Street, Glasgow, G2 5AD.

**Basis of preparation and assessment of going concern**

The financial statements have been prepared under the historical cost convention and include the operations of the charitable company as indicated in the Trustees' report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes 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 £.

**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 the foreseeable future.

The Trustees have assessed the risk imposed on the charity by the ongoing COVID-19 pandemic and are comfortable that the risk is sufficiently mitigated due to the fact that grants paid out are restricted to the level of income received from donations and bank interest.

**Income recognition**

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**1 Accounting Policies (continued)**

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

- Expenditure on charitable activities includes grants payable and scholarships, and other activities undertaken to further the purposes of the charity and their associated support costs;
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

**Allocation of support and governance costs**

Support costs relate to governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand are basic financial assets.

**Creditors and provisions**

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Funds**

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted funds are grants and donations which must be spent as specified by the donor.

## Scottish Power Foundation

### Notes to the financial statements (continued)

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#### 1 Accounting Policies (continued)

##### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In preparing these financial statements, the Trustees have made the following judgements:

##### Accruals

The Trustees estimate the requirements for accruals using post year end information and information available from detailed budgets. This identifies costs that are expected to be incurred for services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

#### 2 Income from donations

	2021 £	2020 £
Restricted Income from donations	200,000	200,000
Unrestricted Income from donations	1,170,000	1,146,600
	<u>1,370,000</u>	<u>1,346,600</u>
	=====	=====

#### 3 Investment income

	2021 £	2020 £
Bank interest	198	216
	=====	=====

Scottish Power Foundation

Notes to the financial statements (continued)

4 Analysis of expenditure on charitable activities including support costs

	Total 2021 £	Total 2020 £
<b>Charitable activities</b>		
Grants (note 5):		
Restricted	400,000	-
Unrestricted	1,173,822	1,213,212
Travel	1,081	228
Management charges	8,092	6,190
Advertising costs	5,175	5,735
Bank charges	5	5
Computer costs	32,481	21,133
Support costs:		
Governance costs	3,600	3,120
	<u>1,624,256</u> =====	<u>1,249,623</u> =====

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020 - £nil). Travel expenses of £1,081 were paid to three Trustees in the year (2020 - £228). During the year no Trustee had any personal interest in any contract or transaction entered into by the charity (2020 - none).

Scottish Power Foundation

Notes to the financial statements (continued)

5 Analysis of grants	2021 £	2020 £
<b>Awards issued in year</b>		
Scottish Power Foundation Awards	30,000	30,000
<b>Recipients of institutional grants</b>		
Size of Wales	79,350	60,000
Dynamic Earth Charitable Trust	76,000	86,500
Spina Bifida Hydracephalus Scotland	38,419	27,095
Marine Biodiversity Multi-year Project	400,000	-
Scottish Autism	158,675	-
Museum of East Anglian Life	122,000	-
Dangerpoint Ltd	36,590	-
Culture, Heritage and Arts Assembly, Argyll and Isles	65,600	-
Dundee Industrial Heritage Ltd	100,970	-
The Single Homeless Project	98,613	-
Action for M.E.	64,698	-
SAMEE	51,202	-
Edward's Trust Ltd	41,088	-
Street League	56,119	-
Finding Your Feet	66,944	-
Scottish Wildlife Trust	37,554	-
Drake Music	50,000	-
Kidscape Campaign for Children's Safety	-	89,670
Bangor University	-	79,000
Bendrigg Trust	-	96,102
Inter Madrassah Organisation	-	58,454
Changing Faces	-	50,000
The Customs House Trust Ltd	-	35,000
RSPB Scotland	-	48,845
The Literacy Pirates	-	100,000
National Theatre of Scotland	-	50,000
South Tyneside Churches	-	35,810
Youth Connections	-	34,882
Nightingale House Hospice	-	30,000
Starcatchers Productions Ltd	-	25,000
Bumblebee Conservation Trust	-	31,000
Wildfowl & Wetlands Trust	-	100,000
Whizz Kids	-	85,275
Acorns (North Tyneside)	-	31,579
Sporting Memories Foundation	-	29,000
	<b>1,573,822</b>	<b>1,213,212</b>
	=====	=====

Scottish Power Foundation

Notes to the financial statements (continued)

<b>6</b>	<b>Net income/(expenditure) for the year</b>				
				<b>2021</b>	<b>2020</b>
				£	£
	This is stated after charging:				
	Auditor's remuneration			<b>3,600</b>	<b>3,120</b>
				=====	=====
<b>7</b>	<b>Debtors</b>			<b>2021</b>	<b>2020</b>
				£	£
	Prepayments			<b>693</b>	<b>576</b>
	Accrued Income			<b>6</b>	<b>14</b>
				-----	-----
				<b>699</b>	<b>590</b>
				=====	=====
<b>8</b>	<b>Creditors</b>			<b>2021</b>	<b>2020</b>
				£	£
	Amounts falling due within one year:				
	Grants payable			<b>200,000</b>	<b>-</b>
	Accruals			<b>3,601</b>	<b>3,121</b>
				-----	-----
				<b>203,601</b>	<b>3,121</b>
				=====	=====
<b>9</b>	<b>Funds</b>				
		Balance	Income	Expenditure	Balance
		b/fwd	£	£	c/fwd
		2020			2021
		£			£
	<b>Total fund</b>				
	Unrestricted funds	125,758	<b>1,170,198</b>	<b>(1,224,256)</b>	<b>71,700</b>
	Restricted funds	200,000	<b>200,000</b>	<b>(400,000)</b>	<b>-</b>
		-----	-----	-----	-----
	<b>Total Funds</b>	<b>325,758</b>	<b>1,370,198</b>	<b>(1,624,256)</b>	<b>71,700</b>
		=====	=====	=====	=====
		Balance	Income	Expenditure	Balance
		b/fwd	£	£	c/fwd
		2019			2020
		£			£
	<b>Total fund</b>				
	Unrestricted funds	228,565	<b>1,146,816</b>	<b>(1,249,623)</b>	<b>125,758</b>
	Restricted funds	-	<b>200,000</b>	<b>-</b>	<b>200,000</b>
		-----	-----	-----	-----
	<b>Total Funds</b>	<b>228,565</b>	<b>1,346,816</b>	<b>(1,249,623)</b>	<b>325,758</b>
		=====	=====	=====	=====

Restricted funds relate to a multi-year marine biodiversity project grant whose recipient was chosen by the Trustees to be WWF.

## Scottish Power Foundation

### Notes to the financial statements (continued)

#### 10 Related party transactions

##### Scottish Power Limited

During the year the charity received donations of £1,370,000 (2020 - £1,346,600).

Scottish Power Limited is a related party as one of the Trustees of the charity is a director of this company.

#### 11 Reconciliation of net (expenditure)/Income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/Income for the year (as per the statement of financial activities)	(254,058)	97,193
Adjustments for:		
(Increase)/decrease in debtors	(109)	2,300
Increase/(decrease) in creditors	200,480	(277)
Investment income	(198)	(216)
<b>Net cash provided by operating activities</b>	<b>(53,885)</b>	<b>99,000</b>

#### 12 Analysis on change in net funds

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	328,289	(53,687)	274,602

Comparatives for analysis on change in net funds

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	229,073	99,216	328,289

#### 13 Control

During the current and previous year, the charitable company was under the control of the Trustees.