

Scottish Power Foundation

**Report and financial statements for
for the year ended 31 December 2019**

Charity number: SCO43862

Company number: SC445116

Scottish Power Foundation

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Scottish Power Foundation

Company information

Trustees Mike Thornton OBE (Chairman)
Melanie Hill (Executive Officer)
Keith Anderson
Elaine Bowker
Anita Longley
Sarah Mistry

Secretary Rebecca Fairley

Registered office 320 St Vincent Street
Glasgow
G2 5AD

Independent auditor MHA Henderson Loggie
45 Queens Road
Aberdeen
AB15 4ZN

Bankers Triodos Bank
Deanery Road
Bristol
BS1 5AS

Solicitors Burness Paull LLP
120 Bothwell Street
Glasgow
G2 7JL

Charity registration number SC043862

Company registration number SC445116

Scottish Power Foundation

Trustees report for the year ended 31 December 2019

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2019. 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 the year and since the year end were as follows:

Michael Thornton OBE (Chair)
Ann McKechin (Executive Officer) (resigned 30 June 2019)
Melanie Hill (Executive Office) (appointed 19 September 2019)
Keith Anderson
Elaine Bowker
Sarah Mistry
Anita Longley

Maria Elena Sanz Arcas resigned as Company Secretary on 8 April 2019 and Rebecca Fairley was appointed as Company Secretary on 7 May 2019.

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.

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.

Anita Longley was appointed to the Board on 16 April 2018 and Mike Thornton and Elaine Bowker were re-appointed as Trustees for a further five year term each on 26 September 2018. The Board intends to establish a Nominations Committee during 2020 to determine the future appointment of Independent Trustees.

The Trustees are regarded as key management personnel. No Trustees were remunerated in this year or in the prior year.

Trustee Induction and Training

New Trustees will be provided with a welcome pack which includes, apart from 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 every three years.

Trustees will be provided background and information on the Foundation including previous 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 to 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 regular meeting. A Risk Register is maintained outlining the principal risks faced by the Foundation and the steps taken to ameliorate them. The Register is regularly reviewed by the Trustees and updated as required. A register of Trustees' interests is held and updated on an annual basis (every February/March).

Organisational Structure

The Foundation is administered and managed by the Trustees. There is currently a small board of Trustees, comprising of six Trustees, two internal and four 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 revised 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 shall elect future Company Secretaries and determine the period for which their office is to be held. There are Trustees who were appointed under the previous Articles and therefore hold their positions for a five year period.

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Trustees report for the year ended 31 December 2019

Related Parties

The entities below are those that were related to the Foundation during 2019, primarily through the attachment of Trustees to the entities in question:

Edinburgh Children's Hospital
Gender Links (South African NGO)
The City of Liverpool College
First4Skills
Liverpool Chamber of Commerce
Tate
Liverpool LEP
Liverpool Waterfront Partnership
The Wise Group
Energy Action Scotland
Scottish Grantmakers Association (removed from the list on 30 June 2019)
Charities Aid Foundation (removed from the list on 30 June 2019)
Energy Saving Trust
Social Enterprise East Lothian (removed from the list on 24 September 2019)
Bond (removed from the list on 24 September 2019) British Geriatrics Society
Anita Longley Ltd (removed from the list on 24 September 2019) Corporate Responsibility Group Ltd
Institute of Corporate Responsibility and Sustainability
University of the West of Scotland (removed from the list on 30 June 2019)
UN Women National Committee UK (removed from the list on 30 June 2019) Scottish Huntington's
Association (removed from list on 25 November 2019)
Iberdrola and all subsidiary companies
Iberdrola Foundation

Objectives and Activities

Since its inception on 29 May 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 other disadvantage
- The advancement of citizenship and community development.

Decisions to award funding are made independently of Scottish Power Limited by an 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

During the year ended 31 December 2019, the Foundation awarded funding of £1.25 million to 25 registered charities. With the Foundation's support it is estimated that their projects will directly benefit over 51,000 people, and indirectly help more than 144,000 people in the UK.

In line with its current strategy, the Foundation continued to provide support for environmental projects. This included the 'Climate Change Champions' project, run jointly by Size of Wales and the Welsh Centre for International Affairs. The project provided an opportunity for young people aged 14-18 to participate in 'MockCOP' which is modelled on the UN's Conference of the Parties (COP) where representatives from countries across the world meet to negotiate resolutions to tackle climate change. Regional events took place across Wales and culminated in a debate held at the National Assembly in Cardiff in November, in front of Ministers, Assembly Members and representatives from the Future Generations Commissioner's Office.

Sussex Wildlife Trust was awarded funding again in 2019, this time for its 'The Wild Side of the Track' project. Funding helped them to improve and develop their Deneway Nature Reserve for wildlife and the local community, by creating woodland glades and spaces for wildlife as well as facilitating 34 school visits.

The Foundation supported a wide range of educational projects, including a new 'Schools Outreach' project delivered by Techniquist; the UK's longest established science centre. This project facilitated the delivery of Science, Technology, Engineering and Maths (STEM) education to 11,902 pupils from 58 different schools across Wales. It also encouraged more girls to take up and maintain their interest in STEM subjects through inclusive science workshops.

The Foundation also funded a range of cultural and arts programmes, including Made in Corby's 'Connect' project. Working with Seagrave House, Glenmoor House and Swan Gardens sheltered housing, the project provided an opportunity for older people to come together, share experiences and celebrate their creativity and contribution to the local area. By March 2020, more than 100 arts and music workshops will have been held across Corby with the Foundation's funding.

Several citizenship and community development projects were also funded by the Foundation in 2019, including 'The Youth Champions #FaceEquality' project run by Changing Faces. They support people who have a visible difference; a mark, scar or condition that makes them look different. Funding enabled the charity to engage a further 12 young people in Scotland, with and without visible differences, to help empower them to become champions for Face Equality.

The 'Junior Citizen Award' project, delivered by Inter Madrassah Organisation, has enabled 300 young people to participate in meaningful social activity and learn a new skill. Through workshops, activity and classroom-based group work, 1-2-1 engagement and whole community events, the charity promotes integration, shared values and a sense of belonging whilst countering extremism and raising aspirations.

The Foundation also funded a number of projects focused on addressing poverty, disability and disadvantage, including 'Clowndoctors' which is delivered by Hearts & Minds. The programme aims to improve the lives of children and young people in hospital, hospices, respite and schools for learners with complex additional support needs through therapeutic clowning. Clowndoctors are specially trained practitioners who have experience of working with vulnerable children. Through playfulness, smiles and laughter, they help young people to cope with the anxiety and sadness that their conditions may bring, and raise their spirits. Funding from the Foundation allowed Hearts & Minds to increase hospital visits across Scotland from Inverness, Dundee and Aberdeen, to Glasgow and Edinburgh.

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The "Primary Panathlon" project, run by the Panathlon Foundation, gave young disabled children the opportunity to experience competitive sport. A number of competitions were held in iconic and inspirational venues including Stoke Mandeville Stadium, which is also known as the home of the Paralympics.

Following the outstanding achievements of Bendrigg Trust in 2018, the Foundation again supported their 'Adventure for All' project in 2019. Funding from the Foundation allowed Bendrigg to raise awareness of their charity through producing inspirational films, which have so far been viewed over 15,000 times. As well as inspiring more young people with disabilities to challenge perceptions of what they are able to do, these films are also proving useful for groups to secure their own funding; by showcasing the impact that a residential at Bendrigg can have.

The funding pot also included £30,000 which was awarded to the winners and runners up at the annual Scottish Power Foundation Awards ceremony, held in September 2019. There are four award categories, including the Charity Champion Award which gives special recognition to individuals working in the charitable sector for their personal dedication.

The Awards ceremony provides an opportunity for the Trustees to meet with representatives from all of the organisations supported and hear first-hand about their achievements.

A further 21 awards of funding were approved by Trustees in November 2019 for projects to be delivered throughout the UK during 2020.

Financial Review

Principal Funding Sources

During the financial year of 2019, Scottish Power Limited has contributed £1,170,000 to the Foundation. A further donation of £1,346,600 has been committed for the financial year 2020.

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 24 September 2019 and agreed that with no paid staff or fixed assets, it was high in relation to the anticipated outgoings of the Foundation and should be reduced. Accordingly, it was agreed to transfer a sum of £149,210 to the revenue account to fund awards for 2020.

The balance held as unrestricted funds at 31 December 2019 was £228,565 all of which is regarded as free reserves. The Foundation currently has a committed donation from Scottish Power Limited of £1,346,600 for 2020 to pay donations and grants that have been approved and agreed to be paid in 2020 and beyond. The current level of reserves is therefore sufficient to meet the Foundation's requirements for the next year.

Scottish Power Foundation

Trustees report for the year ended 31 December 2019

Plans for Future Periods

The Foundation plans continuing the activities in the forthcoming periods subject to satisfactory funding arrangements. Future funding will be requested from Scottish Power Limited, who remain 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

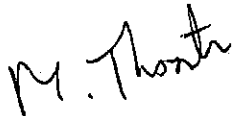
In so far as the Trustees are aware:

- 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.

Auditors

A resolution will be proposed at the Annual General Meeting that MHA Henderson Loggie be appointed as auditors to the charity for the ensuing year.

Approved by the Trustees on 3 March 2020 and signed on their behalf by:



Mike Thornton
Chairman

Scottish Power Foundation

Statement of Trustees' responsibilities

The charity 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 new Charity SORP;
- make judgments 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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019, and of its 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' (who are also the Directors of the company for the purpose of company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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 2019
(continued)**

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 8, 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.

Scottish Power Foundation

Independent auditor's report to the members and Trustees for the year ended 31 December 2019 (continued)

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.

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. This description forms part of our auditor's report.

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 (Senior Statutory Auditor)
For and on behalf of MHA Henderson Loggie
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)

10 March 2020

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

Scottish Power Foundation

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2019

	Note	2019 £	2018 £
Income			
Donations	2	1,170,000	1,170,000
Investments	3	183	294
Total income		1,170,183	1,170,294
Expenditure			
Charitable activities	4	1,281,026	1,090,469
Total expenditure		1,281,026	1,090,469
Net movement in funds		(110,843)	79,825
Total funds brought forward		339,408	259,583
Total funds carried forward	9	228,565 =====	339,408 =====

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

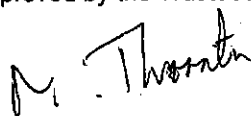
All funds are unrestricted.

Scottish Power Foundation

Balance sheet at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors	7	2,890	39,238
Cash at bank and in hand		229,073	304,274
Total current assets		231,963	343,512
Liabilities			
Creditors falling due within one year	8	(3,398)	(4,104)
Net current assets		228,565	339,408
Net assets		228,565	339,408
		=====	=====
Funds			
Unrestricted funds	9	228,565	339,408
		=====	=====

Approved by the Trustees on 3 March 2020 and signed on their behalf by:



Mike Thornton
Chairman

Scottish Power Foundation

Statement of cash flows for the year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	11	<u>(75,384)</u>	<u>(366,001)</u>
Cash flows from investing activities			
Investment income		<u>183</u>	<u>294</u>
Net cash provided by investing activities		<u>183</u>	<u>294</u>
Change in cash and cash equivalents for the year		<u>(75,201)</u>	<u>(365,707)</u>
Cash and cash equivalents brought forward		<u>304,274</u>	<u>669,981</u>
Cash and cash equivalents carried forward		<u><u>229,073</u></u>	<u><u>304,274</u></u>
Being:			
Cash at bank and in hand		<u><u>229,073</u></u>	<u><u>304,274</u></u>

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) issued during July 2014, 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 £.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

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 includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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.

Scottish Power Foundation

Notes to the financial statements (continued)

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.

2 Income from donations

	2019 £	2018 £
Donations	1,170,000 =====	1,170,000 =====

3 Investment income

	2019 £	2018 £
Bank interest	183 =====	294 =====

4 Analysis of expenditure on charitable activities including support costs

	Charitable activities £	Total 2019 £	Total 2018 £
Scholarships	-	-	(1,200)
Grants (note 5)	1,249,963	1,249,963	1,045,463
Travel	1,136	1,136	3,380
Management charges	4,978	4,978	3,991
Advertising costs	11,677	11,677	13,796
Bank charges	12	12	19
Computer costs	10,260	10,260	22,020
Support costs:			
Governance costs	3,000	3,000	3,000
	<u>1,281,026</u> =====	<u>1,281,026</u> =====	<u>1,090,469</u> =====

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2018 - £nil). Expenses paid to the four Trustees in the year totalled £1,136 (2018 - £3,090). These expenses were made up of reimbursed travel expenses for four Trustees. During the year no Trustee had any personal interest in any contract or transaction entered into by the charity (2018 - none).

Scottish Power Foundation

Notes to the financial statements (continued)

5 Analysis of grants	2019 £	2018 £
Awards issued in year		
Scottish Power Foundation Awards	30,000	30,000
Recipients of institutional grants		
National Museums of Scotland	100,000	159,900
CLWYD Theatre	50,000	75,000
Maggies	50,000	-
Music in Hospitals Scotland	50,000	40,000
Dumfries House	30,000	30,000
Bangor University	73,000	30,000
Bendrigg Trust	76,000	75,000
Sussex Wildlife Trust	43,300	95,220
The Customs House Trust Ltd	31,000	31,000
Young Enterprise Scotland	43,920	39,920
Inter Madrassah Organisation	42,524	-
Changing Faces	50,000	-
Youth Focus NW Ltd	75,000	-
Community First	28,500	-
Made in Corby	35,310	-
National Deaf Children's Society	39,032	-
Red Balloon of the Air	89,213	-
Size of Wales	60,000	-
Panathlon Foundation	45,750	-
Techniquet	40,000	-
Hearts & Minds	29,376	-
Birmingham Disability Resource Centre	46,540	-
The National Autistic Society	31,120	-
YWCA England & Wales	30,000	-
Central Eltham Youth Project	30,378	-
RSPB Scotland	-	81,563
Llangollen International Eisteddfod	-	25,000
Alzheimer Scotland Dementia	-	62,775
National Theatre of Scotland	-	100,000
The Prince & Princess of Wales Hospice	-	50,000
Outward Bound Patrol Member	-	44,884
Limehouse Project	-	60,000
Manchester YMCA	-	54,876
	1,249,963	1,085,138
Less grants repaid in the year		
Your Champions / Your Heroes	-	(3,330)
NSPCC	-	(36,345)
	1,249,963	1,045,463
	=====	=====

Scottish Power Foundation

Notes to the financial statements (continued)

6	Net income/(expenditure) for the year		2019	2018
			£	£
	This is stated after charging:			
	Auditor's remuneration		3,000	3,000
			=====	=====
7	Debtors			
	Prepayments		2,890	2,880
	Accrued income		-	36,358
			-----	-----
			2,890	39,238
			=====	=====
8	Creditors			
	Amounts falling due within one year:			
	Accruals		3,398	4,104
			=====	=====
9	Funds			
		Balance	Income	Expenditure
		b/fwd	£	£
		£		£
	Unrestricted fund			Balance
	General funds	339,408	1,170,183	c/fwd
		=====	=====	£
			(1,281,026)	228,565
			=====	=====

The unrestricted funds are available to be spent for any of the purposes of the charity.

10 Related party transactions

Scottish Power Limited

During the year the charity received donations of £1,170,000 (2018 - £1,170,000) and repaid £Nil (2018 - £387,600) relating to amounts received in 2017 for the scholarship programme.

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

Scottish Power Foundation

Notes to the financial statements (continued)

11	Reconciliation of net income to net cash flow from operating activities		
		2019	2018
		£	£
	Net income for the year (as per the statement of financial activities)	(110,843)	79,825
	Adjustments for:		
	(Increase)/decrease in debtors	36,348	(39,209)
	(Decrease)/increase in creditors	(706)	(406,323)
	Investment income	(183)	(294)
	Net cash provided by operating activities	(75,384)	(366,001)
		=====	=====

12	Analysis on change in net funds			
		1 January	Cash flows	31 December
		2019		2019
		£	£	£
	Cash at bank and in hand	304,274	(75,201)	229,073
		=====	=====	=====

13 Control

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