

Scottish Power Foundation

**Report and financial statements for
for the year ended 31 December 2022**

Charity number: SC043862

Company number: SC445116

Scottish Power Foundation

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Scottish Power Foundation

Company information

Trustees Mike Thornton OBE (Chairman and Independent Director)
Melanie Hill (Executive, Member Director)
Keith Anderson (Member Director)
Anita Longley (Independent Director)
Sarah Mistry (Independent Director)
Rev. Stuart MacQuarrie (Independent Director)
Louise Smith (Independent Director)

Secretary Andrew Philip (Appointed 26 January 2023)

Registered office 320 St Vincent Street
Glasgow
G2 5AD

Independent auditor Henderson Loggie LLP
11-15 Thistle Street
Edinburgh
EH2 1DF

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

Trustees report for the year ended 31 December 2022

The Trustees are pleased to present their report together with the financial statements of the Foundation for the year ended 31 December 2022.

Directors and Trustees

The directors of the Foundation are its Trustees for the purpose of charity law and throughout this report are collectively referred to as "the Trustees" or "the Board."

The Trustees who served during 2022 were as follows:

Mike Thornton OBE (Chair and Independent Director)
Melanie Hill (Executive, Member Director)
Keith Anderson (Member Director)
Sarah Mistry (Independent Director)
Anita Longley (Independent Director)
Rev. Stuart MacQuarrie (Independent Director)
Louise Smith (Independent Director)

Structure, Governance and Management

Governance Framework

The Foundation is a registered Scottish Charity (SC043862) and is a company limited by guarantee (Registered Company No: SC445116) incorporated in Scotland on 14 March 2013. The sole member of the Foundation is Scottish Power Limited ("Scottish Power"). In accordance with its Articles of Association adopted on 24 December 2018 ("the Articles") The Foundation's objects are specifically restricted to charitable purposes. The Foundation considers applications for funding for registered charities under five key categories, which align with its charitable purposes under its Articles as follows:

- 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.

In addition to the Articles, the Foundation is internally governed by its Good Governance Code approved by the Board on 26 September 2018. The Code interprets and further complements the Articles in accordance with generally recognised principles and values in the charities sector. The Good Governance Code 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 and values.

In addition to the Articles and Good Governance Code referred to above, the Foundation's governance framework also principally includes its Compliance Regulations, its Anti-Bribery and Corruption Policy, its Code of Ethics, its Data Protection Policy and its Written Statement on its Safeguarding Policy. All of these documents are publicly available on the website at www.scottishpowerfoundation.com

Trustees report for the year ended 31 December 2022

Recruitment and Appointment of Trustees

The Articles provide that there be a minimum of three Trustees and a maximum of seven Trustees, and provide for the following classes of Trustees: Member Trustees (employees of ScottishPower who are appointed by it as the Foundation's sole member); Independent Trustees, and an Executive Trustee. The Articles stipulate that Independent Trustees should always outnumber the Member Trustees (the latter of which should not exceed two in number).

Following their appointment, which process has regard to the guidance of a Nominations Committee established for such purpose under the 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. Trustee positions are 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.

The Secretary to the Foundation is appointed by the Trustees on such terms as the Board might specify.

The current composition of the Board is listed in page 1 above, together with each Trustee's classification and position. As regards the Member Trustees, Keith Anderson was appointed to the Board on 14 March 2013, and Melanie Hill (acting also as Executive Trustee) was appointed on 19 September 2019. In relation to Independent Trustees, on 16 April 2018, Anita Longley was appointed to the Board and Sarah Mistry was re-appointed for a further five-year term. Mike Thornton was re-appointed as Independent Trustee (and Chair) for a further five-year term on 26 September 2018. Rev. Stuart MacQuarrie and Louise Smith were appointed as Independent Trustees on 5 January 2022.

During 2022, Rebecca Fairley was the Secretary to the Foundation. Following Ms Fairley's resignation on 21 December 2022, Andrew Philip was appointed Acting Secretary by the Board pending the appointment of a permanent Secretary.

Trustee Induction and Training

New Trustees are provided with an induction pack which includes, in addition to information on the Foundation's governance framework, various training presentations prepared by external legal advisors, as well as various best practice documentation published by the Scottish Charity Regulator (OSCR). This information includes details of each Trustee's duties as a charity trustee, their obligations and how they need to remain independent. Regular training is provided to the Trustees in relation to governance matters, and additional training is provided from time to time as required. A skills and experience audit of Trustees is carried out at least every three years.

Trustees are provided with 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 are also directed to the Foundation website itself which details how applicants can apply for funding and are provided with detailed information for all projects that are currently being funded.

Risk Management

The Trustees give due consideration to risks faced by the Foundation at their regular Trustee meetings, including issues in relation to Foundation funding. A Risk Register is maintained outlining the principal risks faced by the Foundation and the steps taken to mitigate them. The Risk Register is regularly reviewed by the Trustees and updated as required.

Trustees are aware, and regularly reminded, of their duty to keep their Register of Interests updated.

Trustees report for the year ended 31 December 2022

Proceedings of the Board

The Foundation is administered and managed by the Trustees, who principally make their decision-making at meetings of the Board. Proceedings of the Board, which are conducted by the Chair, are governed in accordance with the Articles.

The Board of Trustees meets at least three times per year. The first meeting normally takes place within the first six months and is 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.

Meeting agendas are circulated sufficiently in advance to allow all matters arising to be discussed at the Board. Outwith scheduled Board meetings, Trustees may also dispense with discrete urgent matters by way of written resolution in accordance with the Articles.

The entities below are those that were related to the Foundation during 2022, primarily through the attachment of Trustees to the entities in question:

Related Parties

Aberdeen University
Arbed am Byth
British Geriatrics Society
CBI Scotland
Church of Scotland
Corporate Responsibility Group Ltd
Edinburgh Children's Hospital
Energy Saving Trust
Gender Links (South African NGO)
Glasgow Warriors Rugby
HRCore
Iberdrola and all subsidiary companies
Iberdrola Foundation
Institute of Corporate Responsibility and Sustainability
New Zealand Trade and Enterprise
Rangers Football Club
Scottish Association for Mental Health
Scottish Edge Awards (Judge)
Scottish Grantmakers
Solstice Associates
Trades House Commonwealth Committee, Trades House Glasgow
Turning Point Scotland
University of Glasgow
Wainwright Book Prize (Judge)
Warmworks LLP
Wiltshire Wildscape
Zero Waste Scotland

Independence

In accordance with its governance framework, applicable laws and regulations, the Foundation is directly funded by contributions from its sole member, ScottishPower; however, decisions to award funding are made independently by the Foundation's Board of Trustees.

Independence (continued)

The Foundation is one of a number of foundations established by or connected to the global Iberdrola, S.A. group ("Iberdrola"), of which ScottishPower is a member. The Foundation has regard to the Iberdrola Foundations Committee's issuance of Master Plan (currently for 2022-2025) which serves as a guide for all of the foundations associated with and funded by Iberdrola 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). Having regard to this framework, the Foundation prepares an annual plan, setting out its budget, annual funding programme and indicators for evaluating success.

Achievements and Performance

The Foundation continued its support for the Restoration Forth project for a second year in 2022. The project received the first grant to be awarded from the Foundation's Marine Biodiversity Fund when it launched in 2021 and will receive up to £600,000 over a three year period. The project is managed by WWF in partnership with scientists, charities and local community groups. Together they will design a blueprint to restore and sustainably manage seagrass and oyster habitats for a thriving Firth of Forth on the East Coast of Scotland.

In 2022, the Foundation awarded funding of over £1.1 million to 19 registered charities to support their work in the UK. In January 2022, 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.

The Engineering Development Trust and Edinburgh Science Foundation are both engaging young people on the topic of climate change through activities inside and outside of the classroom. Whizz-Kidz is providing wheelchair skills training to young wheelchair users across the UK, increasing independence and mobility, and Deafblind UK has been conducting research into an educational provision for young students with deafblindness to ensure no one is left behind. The Ocean Conservation Trust and Keep Britain Tidy are cleaning up our seas; one by restoring carbon-sequestering seagrass meadows using cutting edge science, and the other by preventing fishing nets from being disposed of in the water. Coldharbour Mill Trust is working to preserve heritage crafts in Devon, while the National Library of Scotland has been painstakingly digitising hundreds of hours of video and audio tapes to catalogue the nation's history.

The annual ScottishPower Foundation awards were announced at an Awards Ceremony on 1st November 2022 and provided £40,000 of additional funding to projects through five award categories 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 the Board of Trustees in November 2022 and are intended to be awarded funding for projects to be delivered in 2023 subject to budget and contract.

Financial Review

Principal Funding Sources

During the financial year of 2022, Scottish Power Limited has contributed £1,370,000 to the Foundation. A further donation of £1,506,919 has been committed for the financial year 2023.

Investment Policy

Aside from retaining a prudent amount in reserves each period, most of the Foundation'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.

Trustees report for the year ended 31 December 2022

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 1 November 2022 and agreed that current reserves were more than sufficient.

The balance held as unrestricted funds at 31 December 2022 was £55,366 and is regarded as free reserves. There is a further £200,000 of restricted reserves for a multi-year marine project. This gives a total reserves balance of £255,366. The Foundation currently has a committed donation from Scottish Power Limited of £1,506,919 for 2023 to pay donations and grants that have been approved and agreed to be paid in 2023 and beyond. This includes a further £200,000 for the Marine Biodiversity Fund for a new multi-year project. The current level of reserves is therefore sufficient to meet the Foundation's requirements for 2023.

Plans for Future Periods

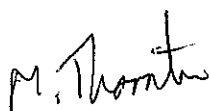
The Foundation intends to continue provide funding in future years, subject to satisfactory funding arrangements. Future funding will be requested from ScottishPower, which remains committed to the support of the Foundation. The Trustees will continue to review opportunities to increase funding where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

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 21/3 2023 and signed on their behalf by:



Mike Thornton
Chairman

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 Charity Statement of Recommended Practice (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.

Independent auditor's report to the members and Trustees for the year ended 31 December 2022

Opinion

We have audited the financial statements of Scottish Power Foundation for the year ended 31 December 2022 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 2022, and of its incoming resources and application of resources, including 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 annual 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 2022
(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 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 2022
(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 regulations made under those Acts.

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.

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

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:

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company.
- We considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board and sub-committee meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular accruals;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Independent auditor's report to the members and Trustees for the year ended 31 December 2022
(continued)**

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.

Henderson Loggie LLP

Keith Macpherson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie LLP
Chartered Accountants
Statutory Auditor
11-15 Thistle Street
Edinburgh
EH2 1DF

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

..... 28/3/2023

Scottish Power Foundation

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2022

	Note	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Unrestricted £	2021 Restricted	2021 Total
Income							
Donations	2	1,170,000	200,000	1,370,000	1,170,000	200,000	1,370,000
Investments	3	370	-	370	198	-	198
Total income		1,170,370	200,000	1,370,370	1,170,198	200,000	1,370,198
Expenditure							
Charitable activities	4	1,186,704	-	1,186,704	1,224,256	400,000	1,624,256
Total expenditure		1,186,704	-	1,186,704	1,224,256	400,000	1,624,256
Net movement in funds		(16,334)	200,000	183,666	(54,058)	(200,000)	(254,058)
Total funds brought forward		71,700	-	71,700	125,758	200,000	325,758
Total funds carried forward	9	55,366	200,000	255,366	71,700	-	71,700
		=====	=====	=====	=====	=====	=====

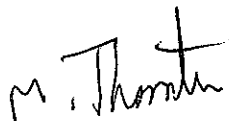
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Scottish Power Foundation

Balance sheet at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Debtors	7	610	699
Cash at bank and in hand		260,757	274,602
Total current assets		261,367	275,301
Liabilities			
Creditors falling due within one year	8	(6,001)	(203,601)
Net current assets		255,366	71,700
Net assets		255,366 =====	71,700 =====
Funds			
Restricted Funds	9	200,000	-
Unrestricted funds	9	55,366	71,700
Total Funds		255,366 =====	71,700 =====

Approved by the Trustees on 21/3 2023 and signed on their behalf by:



Mike Thornton
Chairman

Scottish Power Foundation

Statement of cash flows for the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows (used in)/from operating activities			
Net cash (used in)/provided by operating activities	11	(14,215)	(53,885)
Cash flows from investing activities			
Investment income		370	198
Net cash provided by investing activities		370	198
Change in cash and cash equivalents for the year		(13,845)	(53,687)
Cash and cash equivalents brought forward		274,602	328,289
Cash and cash equivalents carried forward		<u>260,757</u>	<u>274,602</u>
Being:			
Cash at bank and in hand		<u>260,757</u>	<u>274,602</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), 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 at least 12 months from the date of approval of the financial statements.

The Trustees have based their expectation on 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.

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

	2022 £	2021 £
Restricted Income from donations	200,000	200,000
Unrestricted Income from donations	1,170,000	1,170,000
	<u>1,370,000</u>	<u>1,370,000</u>
	=====	=====

3 Investment income

	2022 £	2021 £
Bank interest	370	198
	<u>=====</u>	<u>=====</u>

Scottish Power Foundation

Notes to the financial statements (continued)

4 Analysis of expenditure on charitable activities including support costs

	Total 2022 £	Total 2021 £
Charitable activities		
Grants (note 5):		
Restricted	-	400,000
Unrestricted	1,150,000	1,173,822
Trustee travel expenses	1,884	1,081
Management charges	8,821	8,092
Advertising costs	4,165	5,175
Bank charges	7	5
Computer costs	15,827	32,481
Support costs:		
Governance costs	6,000	3,600
	<u>1,186,704</u>	<u>1,624,256</u>
	=====	=====

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021 - £nil). Travel expenses of £1,884 were paid to three Trustees in the year (2021 - £1,081). During the year no Trustee had any personal interest in any contract or transaction entered into by the charity (2021 - none).

Scottish Power Foundation

Notes to the financial statements (continued)

5	Analysis of grants	2022 £	2021 £
	Awards issued in year		
	Scottish Power Foundation Awards	40,000	30,000
	Recipients of institutional grants		
	Size of Wales	-	79,350
	Dynamic Earth Charitable Trust	-	76,000
	Spina Bifida Hydracephalus Scotland	-	38,419
	Marine Biodiversity Multi-year Project – restricted	-	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	65,900	56,119
	Finding Your Feet	-	66,944
	Scottish Wildlife Trust	-	37,554
	Drake Music	-	50,000
	Whizz Kids	79,530	-
	The Linkage Community Trust	47,695	-
	Playlist for Life	59,415	-
	Ocean Conservation Trust	98,000	-
	National Library of Scotland	56,292	-
	Lorna Young Foundation	37,700	-
	Linkes (SCIO)	46,170	-
	Keep Britain Tidy	63,090	-
	Headway Swindon & District	40,000	-
	Green Team (Edinburgh and Lothians) Limited	44,500	-
	The Froglife Trust	98,301	-
	The Engineering Development Trust	35,290	-
	Edinburgh Science Foundation Ltd	43,500	-
	Deafblind UK	44,609	-
	Cutting Edge Theatre Ltd	80,000	-
	Coldharbour Mill Trust Limited	75,708	-
	The Cheshire Wildlife Trust Limited	44,300	-
	Buglife The Invertebrate Conservation Trust	50,000	-
		1,150,000	1,573,822
		=====	=====

Notes to the financial statements (continued)

6 Net income/(expenditure) for the year

	2022 £	2021 £
This is stated after charging: Auditor's remuneration	6,000 =====	3,600 =====

7 Debtors

	2022 £	2021 £
Prepayments	547	693
Accrued Income	63	6
	<u>610</u> =====	<u>699</u> =====

8 Creditors

	2022 £	2021 £
Amounts falling due within one year:		
Grants payable	-	200,000
Accruals	6,001	3,601
	<u>6,001</u> =====	<u>203,601</u> =====

9 Funds

	Balance b/fwd 2021 £	Income £	Expenditure £	Balance c/fwd 2022 £
Total fund				
Unrestricted funds	71,700	1,170,370	(1,186,704)	55,366
Restricted funds	-	200,000	-	200,000
	<u>71,700</u>	<u>1,370,370</u>	<u>(1,186,704)</u>	<u>255,366</u> =====
Total Funds	<u>71,700</u> =====	<u>1,370,370</u> =====	<u>(1,186,704)</u> =====	<u>255,366</u> =====

	Balance b/fwd 2020 £	Income £	Expenditure £	Balance c/fwd 2021 £
Total fund				
Unrestricted funds	125,758	1,170,198	(1,224,256)	71,700
Restricted funds	200,000	200,000	(400,000)	-
	<u>325,758</u>	<u>1,370,198</u>	<u>(1,624,256)</u>	<u>71,700</u> =====
Total Funds	<u>325,758</u> =====	<u>1,370,198</u> =====	<u>(1,624,256)</u> =====	<u>71,700</u> =====

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 (2021 - £1,370,000).

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

	2022 £	2021 £
Net (expenditure)/Income for the year (as per the statement of financial activities)	183,666	(254,058)
Adjustments for:		
(Increase)/decrease in debtors	90	(109)
Increase/(decrease) in creditors	(197,601)	200,480
Investment income	(370)	(198)
Net cash provided by operating activities	(14,215)	(53,885)
	=====	=====

12 Analysis on change in net funds

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	274,602	(13,845)	260,757
	=====	=====	=====

Comparatives for 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
	=====	=====	=====

13 Control

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