

Registered number: SC174115

Charity number: SC027995

**THE FIFE ENVIRONMENT TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**



**THE FIFE ENVIRONMENT TRUST**  
**(A company limited by guarantee)**

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**THE FIFE ENVIRONMENT TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>Trustees</b>	Mr J C Noble Mrs H Lawrenson Dr R D A Evetts Cllr F Grant Mr K G Winter Dr L Wishart
<b>Company registered number</b>	SC174115
<b>Charity registered number</b>	SC027995
<b>Registered office</b>	Fife Council Fife House North House Glenrothes Fife KY7 5LT
<b>Company secretary</b>	Fife Council
<b>Independent auditors</b>	EQ Accountants LLP Chartered Accountants Pentland House Saltire Centre Glenrothes Fife KY6 2AH
<b>Bankers</b>	The Royal Bank of Scotland 3 Falkland Gate Glenrothes Fife KY7 5NS

**THE FIFE ENVIRONMENT TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**Objectives and Activities**

Under the terms of the charitable company's Memorandum and Articles of Association, the objects for which the Trust is established are:

- a) to undertake the reclamation, remediation, restoration or any other operation that facilitates the economic, social or environmental use of land where its use has been prevented or restricted because of a previous use.
- b) to carry out any operation intended to prevent or reduce any potential for pollution or to remedy or mitigate the effects of any pollution on land polluted by a previous activity.
- c) to carry out to promote research into and to develop waste management practices with the aim of encouraging the use of more sustainable waste management practices for the benefit of the public.
- d) to advance and promote the education of the public, commerce and industry in the knowledge of waste management practices with the aim of encouraging the use of more sustainable waste management practices for the benefit of the public.
- e) to collect and disseminate information about waste management practices with the aim of encouraging the use of more sustainable waste management practices for the benefit of the public.
- f) to provide, maintain and improve public parks or any other public amenity in the vicinity of a landfill site within Scotland for the benefit of the public.
- g) to maintain, repair or restore buildings or other structures being places of religious worship or of historic or architectural interest in order to preserve the same for the benefit of the public.

The charity's main activity in relation to its objectives is to approve grants to community projects meeting one or more of the eligible objectives mentioned in (a) to (g).

The principles of sustainability and sustainable development are at the centre of the Trust's Funding Strategy. The main aim is to utilise contributions from Landfill Operators in order to maximise benefits for communities through environmental projects with a specific emphasis on:

- Improving quality of life for communities by safeguarding and supporting improvements to the built and natural environment;
- Supporting community led urban and rural regeneration schemes that encompass social inclusion and community capacity building.

**THE FIFE ENVIRONMENT TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**Achievements and performance**

As of 1st January 2012, the threshold levels for both small and large grants were adapted to help encourage more applicants. The current threshold levels have been increased as follows -

Large Grants - Up to 75% funding available, maximum award of £50,000

Small Grants - Up to 90% funding available, maximum award of £10,000

These thresholds will remain until the trustees see it necessary to change them.

During the year to March 2019 FET has funded a wide range of projects with substantial community benefit. A proportion of funding awarded has been allocated to support outdoor activities including the upgrade of tennis courts.

In addition, the Trust has supported the provision of a number of improved play facilities helping to promote more active and healthier lifestyles amongst youngsters within the communities these projects serve. A number of village halls have also received funding for upgrade work including Abdie Hall, Letham Village Hall and New Gilston and Woodside Village Hall. By helping to safeguard these buildings in small communities, the Trust is helping to reduce isolation and promote community cohesion.

The Trust also continues to protect the built heritage environment through awards to eligible projects such as St Bryce Kirk in Kirkcaldy.

**Financial review**

During the year the Trust received £957,378 (2018: £950,842) in contributions from Fife Council. The trustees would like to thank this organisation for their contributions.

During the year the Trust awarded 32 new applications for funding to the value of £1,171,161 (2018: 26 new applications totalling £916,438).

The Trust awarded 6 new applications for funding under the Fife Community Small Projects Scheme approving awards of £52,807 (2018: 7 new applications totalling £47,012).

The Trust paid out awards to the value of £708,183 during the year and was committed to paying out £1,561,529.

At the balance sheet date the trust held restricted reserves of £78,484 (2018: £68,396) and unrestricted reserves of £934,439 (2018: £1,218,839).

The Trustees are aware that funding is a major risk for the charity. If the Council decide not to contribute the 10% element, the landfill company would have to pay the landfill tax in full to HMRC. Since there are no other parties making a funding contribution the going concern of the charity would in these circumstances be under risk. In addition, the Trustees are aware that Scottish Government is taking steps towards a Zero Waste Society and as a consequence, the level of qualifying contributions in the future will dramatically reduce as will the 10% Third Party Contribution currently being received from Fife Council.

The Trustees have monies to cover the present funding commitments which are included as creditors in the accounts. In addition, the Trustees consider they would need £100,000 operating costs to cover the charity winding up over a period of one year. Since the present unrestricted fund held is £934,439 the charity has adequate resources to continue in operational existence for the foreseeable future.

The unrestricted reserves of £934,439 are deemed reasonable to allow the charity to manage the impact of future funding constraints following the impending landfill ban which will take effect on 1st January 2021.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**Structure, governance and management**

**a. CONSTITUTION**

The trust is a company limited by guarantee, governed by its Memorandum and Articles of Association. The company must have a minimum of 3 directors and a maximum of 12. Fife Council can have up to 2 directors on the board and Scottish National Heritage may have 1. Fife Council, however, may not hold the majority of directors appointed.

Amounts granted to applicants may fall into two categories. Small projects, where the claim is less than £10,000, can be approved by two delegated Directors. Claims in excess of £10,000 will be decided by all directors on a majority basis at a Board meeting. These are the new thresholds which came into effect for applications received after 1st January 2012.

In the period SNH has withdrawn as a Member of The Fife Environment Trust which took effect on 27th March 2019.

**b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

New directors may either be approached by existing directors and invited to join the Board or may be nominated by the party they represent in the case of Fife Council and Scottish National Heritage.

**c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Upon being appointed as a new director the Director will be supplied with an induction and training pack containing information and history on the Trust.

**d. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The day to day operations of the Trust, the processing of applications and the ongoing support and monitoring of the applicants are handled by Fife Council staff, under a consultancy and support contract. Decisions on the awarding of grants, establishing of conditions, etc. are made by majority decision of the Board, although there is provision for some smaller grants to be awarded by a Board sub-committee.

**e. RISK MANAGEMENT**

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Funds paid to the Trust from the Scottish Landfill Communities Fund are monitored and the Trustees have implemented a risk register in relation to this to ensure compliance.

**Plans for future periods**

The Trust, in future, will continue to award grants to those projects which fall under the scope of the trust's objectives. However, in light of the impending landfill ban which will take effect on 1st January 2021, the Trust has now reached the point of considering an Exit Strategy.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of The Fife Environment Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

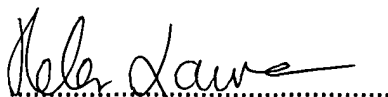
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 30/5/19 and signed on their behalf by:



**Mrs H Lawrenson**  
**Trustee**

**THE FIFE ENVIRONMENT TRUST**  
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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF THE FIFE ENVIRONMENT TRUST**

**OPINION**

We have audited the financial statements of The Fife Environment Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, 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 March 2019 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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' 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.



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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF THE FIFE ENVIRONMENT TRUST**

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

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.

**OPINION 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our 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.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; 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 prepare the financial statements in accordance with the small companies regime and 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, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 or to cease

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF THE FIFE ENVIRONMENT TRUST**

operations, or have no realistic alternative but to do so.

**AUDITORS' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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. 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 Auditors' 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, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.

*Mark Gallacher C.A.*

Mark Gallacher (Senior statutory auditor)  
for and on behalf of

**EQ Accountants LLP**  
Chartered Accountants  
Pentland House  
Saltire Centre  
Glenrothes

Fife  
KY6 2AH

Date: *13th Dec 2015*

EQ Accountants LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2019**

	<b>Note</b>	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>INCOME FROM:</b>					
Donations and legacies	2	957,378	10,088	967,466	950,842
Investments	3	5,185	-	5,185	1,402
<b>TOTAL INCOME</b>		<b>962,563</b>	<b>10,088</b>	<b>972,651</b>	<b>952,244</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	4	1,246,963	-	1,246,963	1,048,219
	5				
<b>TOTAL EXPENDITURE</b>		<b>1,246,963</b>	<b>-</b>	<b>1,246,963</b>	<b>1,048,219</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(284,400)</b>	<b>10,088</b>	<b>(274,312)</b>	<b>(95,975)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(284,400)</b>	<b>10,088</b>	<b>(274,312)</b>	<b>(95,975)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		1,218,839	68,396	1,287,235	1,383,210
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>934,439</b>	<b>78,484</b>	<b>1,012,923</b>	<b>1,287,235</b>

The notes on pages 12 to 20 form part of these financial statements.


**THE FIFE ENVIRONMENT TRUST**  
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**REGISTERED NUMBER: SC174115**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019	2018
		£	£
<b>CURRENT ASSETS</b>			
Debtors	10	432,850	401,503
Cash at bank and in hand		2,171,153	2,018,506
		<u>2,604,003</u>	<u>2,420,009</u>
<b>CREDITORS:</b> amounts falling due within one year	11	<u>(1,591,080)</u>	<u>(1,132,774)</u>
<b>NET CURRENT ASSETS</b>		<u>1,012,923</u>	<u>1,287,235</u>
<b>NET ASSETS</b>		<u>1,012,923</u>	<u>1,287,235</u>
<b>CHARITY FUNDS</b>			
Restricted funds	12	78,484	68,396
Unrestricted funds	12	934,439	1,218,839
<b>TOTAL FUNDS</b>		<u>1,012,923</u>	<u>1,287,235</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 30/05/19 and signed on their behalf, by:



**Mrs H Lawrenson**

The notes on pages 12 to 20 form part of these financial statements.

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	14	<b>147,462</b>	557,246
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>5,185</b>	1,402
<b>Net cash provided by investing activities</b>		<b>5,185</b>	1,402
<b>Change in cash and cash equivalents in the year</b>		<b>152,647</b>	558,648
Cash and cash equivalents brought forward		<b>2,018,506</b>	1,459,858
<b>Cash and cash equivalents carried forward</b>	15	<b>2,171,153</b>	2,018,506

The notes on pages 12 to 20 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Fife Environment Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements have been prepared on a going concern basis.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.4 Income**

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

Contributions are recognised when the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income relates to bank interest which is recognised when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.6 Going concern**

The trustees confirm they have reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future and for this reason the trust adopts the going concern basis in preparing the financial statements.

**1.7 Interest receivable**

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

**1.8 Debtors**

Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**1.9 Cash at Bank and in hand**

Cash at bank and 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.

**1.10 Creditors and provisions**

Creditors are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Financial instruments**

The company 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 AND LEGACIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Contributions receivable	957,378	10,088	967,466	950,842
<i>Total 2018</i>	950,842	-	950,842	

**3. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	5,185	-	5,185	1,402
<i>Total 2018</i>	1,402	-	1,402	

**4. DIRECT COSTS**

	£	Total 2019 £	Total 2018 £
Project Administration	59,739	59,739	63,293
Grants paid	1,164,611	1,164,611	962,843
Insurance	1,288	1,288	2,249
Sepa fees	17,425	17,425	16,951
Bank charges	60	60	80
	1,243,123	1,243,123	1,045,416
<i>Total 2018 - unrestricted direct costs</i>	1,045,416	1,045,416	



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**5. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Charitable activities	1,243,123	3,840	1,246,963	1,048,219
<i>Total 2018</i>	1,045,416	2,803	1,048,219	

**6. NET INCOME/(EXPENDITURE)**

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

**7. AUDITORS' REMUNERATION**

	2019 £	2018 £
The Auditor's remuneration amounts to an Audit fee of	3,000	2,160
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services not included above	680	603

**8. ANALYSIS OF GRANTS**

All grant recipients were institutions. See note 18 for further details.

**9. STAFF COSTS**

The company has no employees other than the Trustees, who did not receive any remuneration (2018 - £NIL).

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
No of employees	0	0

No employee received remuneration amounting to more than £60,000 in either year.

**THE FIFE ENVIRONMENT TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**10. DEBTORS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other debtors	<b>431,574</b>	<b>400,281</b>
Prepayments and accrued income	<b>1,276</b>	<b>1,222</b>
	<b><u>432,850</u></b>	<b><u>401,503</u></b>

**11. CREDITORS: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other creditors	<b>1,561,529</b>	<b>1,105,101</b>
Accruals and deferred income	<b>29,551</b>	<b>27,673</b>
	<b><u>1,591,080</u></b>	<b><u>1,132,774</u></b>

**THE FIFE ENVIRONMENT TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**12. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure / transfers £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>				
General Funds - all funds	1,218,839	962,563	(1,246,963)	934,439
<b>Restricted funds</b>				
Restricted Funds - all funds	68,396	10,088	-	78,484
Total of funds	1,287,235	972,651	(1,246,963)	1,012,923

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure / transfers £	Balance at March 2018 £
<b>General funds</b>				
General Fund	1,314,814	952,244	(1,048,219)	1,218,839
<b>Restricted funds</b>				
Burntisland Development Trust	68,396	-	-	68,396
Total of funds	1,383,210	952,244	(1,048,219)	1,287,235

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure / transfers £	Balance at 31 March 2019 £
General funds	1,218,839	962,563	(1,246,963)	934,439
Restricted funds	68,396	10,088	-	78,484
	1,287,235	972,651	(1,246,963)	1,012,923

**THE FIFE ENVIRONMENT TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12. STATEMENT OF FUNDS (continued)**

**SUMMARY OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2017 £</i>	<i>Income £</i>	<i>Expenditure / transfers £</i>	<i>Balance at 31 March 2018 £</i>
General funds	1,314,814	952,244	(1,048,219)	1,218,839
Restricted funds	68,396	-	-	68,396
	<u>1,383,210</u>	<u>952,244</u>	<u>(1,048,219)</u>	<u>1,287,235</u>

**Restricted funds**

During the year ended 31 March 2012, the Trust received a transfer of funds from the Burntisland Development Trust. These are restricted funds in that they were initially used to continue the support of grants previously approved for funding by the Burntisland Development Trust along with any new applications for funding which met the original funding criteria of Burntisland Development Trust.

During the year the charitable company received £10,088 from Tullis Russell Environment Education Limited. These are restricted funds to be used for environmental projects and not for routine administration purposes.

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Current assets	2,525,519	78,484	2,604,003
Creditors due within one year	(1,591,080)	-	(1,591,080)
	<u>934,439</u>	<u>78,484</u>	<u>1,012,923</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Current assets	2,351,613	68,396	2,420,009
Creditors due within one year	(1,132,774)	-	(1,132,774)
	<u>1,218,839</u>	<u>68,396</u>	<u>1,287,235</u>

**THE FIFE ENVIRONMENT TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(274,312)	(95,975)
<b>Adjustment for:</b>		
Dividends, interest and rents from investments	(5,185)	(1,402)
Decrease in debtors	-	65,664
Increase in creditors	458,306	588,959
Increase in debtors	(31,347)	-
<b>Net cash provided by operating activities</b>	<b>147,462</b>	<b>557,246</b>

**15. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	2,171,153	2,018,506
<b>Total</b>	<b>2,171,153</b>	<b>2,018,506</b>

**16. RELATED PARTY TRANSACTIONS**

Fife Council as a landfill site operator made contributions of £957,378 (2018 - £950,842) to the Trust during the year. At the balance sheet date £431,574 (2018 - £400,281) was due by Fife Council to the Trust.

The Trust has a planning consultancy contract with Fife Council who undertake to develop, approve and monitor projects funded by the Trust. During the year £59,740 (2018 - £60,000) was paid by the Trust under the terms of the contract.

There were no transactions with the Trustees during the year (2018 - £nil).

**17. TAXATION**

No tax is payable by the Trust as its charitable status gives it exemption from corporation tax.

The company is unable to reclaim Value Added Tax on the goods and services purchased and accordingly any such irrecoverable input tax is included in the relevant expenditure.

**THE FIFE ENVIRONMENT TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**18. GRANTS PAID DURING THE CURRENT YEAR**

**SEPA Category**

The main areas of work ('Objects') that qualify for funding are as follows:

Object A: The reclamation, remediation, restoration or other operation on land to facilitate economic, social or environmental use.

Object B: Community based recycling, re-use and waste prevention projects.

Object C: To provide, maintain or improve a public park or other public amenity.

Object D: The conservation or promotion of biological diversity through the provision, conservation, restoration or enhancement of a natural habitat or the maintenance or recovery of species in its natural habitat.

Object E: The maintenance, repair or restoration of a building, other structure or a site of archeological interest which is a place of religious worship, or a site of historic or architectural or archaeological interest and is open to the public.

	<b>General Fund</b> <b>£</b>	<b>Small</b> <b>ProjectsFund</b> <b>£</b>
A	50,000	-
A/C	(65)	-
C	935,241	42,807
C/D	-	(42)
C/E	17,648	-
D	-	(214)
E	109,671	9,565
	<hr/>	<hr/>
Total	<b>1,112,495</b>	<b>52,116</b>
	<hr/>	<hr/>

SEPA funds must be committed to a project within 2 years of receipt of funding.

Restricted funds are not required to meet the SEPA requirements/categories.

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**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
<b>CHARITY INCOME</b>		
Contributions receivable	957,378	950,842
Bank interest receivable	5,185	1,402
	<hr/>	<hr/>
<b>TOTAL CHARITY INCOME</b>	<b>962,563</b>	<b>952,244</b>
<b>LESS: CHARITY EXPENDITURE</b>		
Project Administration	59,739	63,293
Grants paid	1,164,611	962,843
Sundry expenses	-	40
Sepa fees	17,425	16,951
Accountancy fees	840	603
Audit fees	3,000	2,160
Insurance	1,288	2,249
Bank charges	60	80
	<hr/>	<hr/>
<b>TOTAL CHARITY EXPENDITURE</b>	<b>1,246,963</b>	<b>1,048,219</b>
	<hr/>	<hr/>
<b>NET EXPENDITURE FROM CHARITABLE SOURCES</b>	<b>(284,400)</b>	<b>(95,975)</b>
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<b>NET EXPENDITURE FOR THE YEAR</b>	<b>(284,400)</b>	<b>(95,975)</b>
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