

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 2022

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 2022**

Trustees Mr J C Noble
Mrs H Lawrenson
Dr L Wishart
Dr R D A Evetts
Cllr F Grant (resigned 5 May 2022)
Mr K G Winter (resigned 29 April 2022)
Mr K A Gourlay (appointed 2 May 2022)

Company registered number SC174115

Charity registered number SC027995

Registered office Fife Council
Fife House
North House
Glenrothes
Fife
KY7 5LT

Company secretary Fife Council

Independent auditors EQ Accountants LLP (Statutory auditor)
Chartered Accountants
Pentland House
Saltire Centre
Glenrothes
Fife
KY6 2AH

Bankers 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 2022

The Trustees present their annual report together with the audited financial statements of the The Fife Environment Trust for the year 1 April 2021 to 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Fife Environment Trust's objects are governed by those set in relation to the Landfill Tax Credit Scheme, but the Trustees have agreed to priorities the following as set out in the Trusts Funding Strategy:

- 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 a species in its natural habitat.
- Object E: The maintenance, repair or restoration of a building, other structure or a site of archaeological interest which is a place of religious worship, or a site of historic or architectural or archaeological interest and is open to 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 (E).

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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Achievements and performance

a. Main achievements of the company

At the start of the Scottish Landfill Communities Fund (SLCF) in April 2015, the Board approved the adoption of threshold levels from the previous UK scheme for both small and large grants. The current threshold levels are 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 2022, Fife Environment Trust (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 revamping the mountain bike trails at Lochore Meadows Cycle Hub & White Wood Bike Park and upgrading footpaths between Dairsie Village to Burnside Core Path, helping to link communities, reduce isolation and promoting physical activity. 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 community facilities have also received funding for upgrade work including Culross Development Trust, Burnturk and Kettlehill Community Trust, Leven Baptist Church, Gallatown Hub, St David's Brass Band and Abbot House Redevelopment. By helping to safeguard these buildings, the Trust is helping to reduce isolation and promote community cohesion.

The Trust continues to protect the environment through awards to eligible projects such as the Winter Volunteering Programme at the Ecology Centre.

The Trust also continues to protect historical structures through awards to eligible projects such as the Wemyss Caves Protective Gates, Restoring of the Exterior Lime Coating of the Melville Doocot and the Restoration of Tolbooth Steeple Clock Faces.

THE FIFE ENVIRONMENT TRUST
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Financial review

a. Going concern

During the year the Trust received £949,324 (2021: £854,306) in contributions from Fife Council. The trustees would like to thank this organisation for their contributions.

During the year the Trust awarded 25 new applications for funding for Large Grants to the value of £981,375 (2021: 19 new applications totalling £695,551). One project which had been awarded £50,000 was withdrawn by the project applicants.

The Trust awarded 5 new applications for funding under the Small Grants Scheme approving awards of £31,531 (2021: 10 new applications totalling £62,602).

The Trust paid out awards to the value of £966,522 during the year and was committed to paying out £1,549,880.

At the balance sheet date the trust held restricted reserves of £78,682 (2021: £78,674) and unrestricted reserves of £857,598 (2021: £990,482).

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 £150,000 operating costs to cover the charity winding up over a period of one year. Since the present unrestricted fund held is £857,598 the charity has adequate resources to continue in operational existence for the foreseeable future.

The unrestricted reserves of £857,598 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 2025.

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. 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.

THE FIFE ENVIRONMENT TRUST

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Structure, governance and management (continued)

b. Methods 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.

c. Organisational structure and decision-making policies

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.

d. Financial 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.

e. 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 2025, the Trust has now reached the point of considering an Exit Strategy.

f. 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.

THE FIFE ENVIRONMENT TRUST

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Structure, governance and management (continued)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company 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 company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 charity'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 charity's auditors are aware of that information.

Auditors

The auditors, EQ Accountants LLP (Statutory auditor), have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
Mrs H Lawrenson

Date: 26 May 2022

THE FIFE ENVIRONMENT TRUST
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INDEPENDENT AUDITORS' REPORT TO THE 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 2022 which comprise the Statement of financial activities, 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 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, 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

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIFE ENVIRONMENT TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 which includes the directors' report and strategic report prepared for the purposes of the company law for the financial year for which the financial statements are prepared is consistent with the financial statements..
- the directors' report and strategic report included within 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 directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIFE ENVIRONMENT TRUST (CONTINUED)

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 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.

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:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Auditors' report.

THE FIFE ENVIRONMENT TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIFE ENVIRONMENT TRUST (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. 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 (Senior statutory auditor)

for and on behalf of

EQ Accountants LLP (Statutory auditor)

Chartered Accountants

Pentland House

Saltire Centre

Glenrothes

Fife

KY6 2AH

31 May 2022

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

THE FIFE ENVIRONMENT TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from:					
Donations and legacies	2	949,324	-	949,324	854,306
Investments	3	225	8	233	1,306
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		949,549	8	949,557	855,612
Expenditure on:					
Charitable activities	4	1,082,433	-	1,082,433	690,852
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		1,082,433	-	1,082,433	690,852
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(132,884)	8	(132,876)	164,760
Reconciliation of funds:					
Total funds brought forward		990,482	78,674	1,069,156	904,396
Net movement in funds		(132,884)	8	(132,876)	164,760
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		857,598	78,682	936,280	1,069,156

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 23 form part of these financial statements.

THE FIFE ENVIRONMENT TRUST
(A company limited by guarantee)
REGISTERED NUMBER: SC174115

BALANCE SHEET
AS AT 31 MARCH 2022

			2022	2021
			£	£
Current assets				
Debtors	10	475,485	462,562	
Cash at bank and in hand		2,029,693	2,120,086	
		<u>2,505,178</u>	<u>2,582,648</u>	
Creditors: amounts falling due within one year	11	(1,568,898)	(1,513,492)	
Net current assets			<u>936,280</u>	<u>1,069,156</u>
Total assets less current liabilities			<u>936,280</u>	<u>1,069,156</u>
Net assets excluding pension asset			<u>936,280</u>	<u>1,069,156</u>
Total net assets			<u><u>936,280</u></u>	<u><u>1,069,156</u></u>
Charity funds				
Restricted funds	12	78,682	78,674	
Unrestricted funds	12	857,598	990,482	
Total funds			<u><u>936,280</u></u>	<u><u>1,069,156</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Mrs H Lawrenson

Date: 26 May 2022

The notes on pages 14 to 23 form part of these financial statements.

THE FIFE ENVIRONMENT TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(90,626)	28,642
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	233	1,306
	<hr/>	<hr/>
Net cash provided by investing activities	233	1,306
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(90,393)	29,948
Cash and cash equivalents at the beginning of the year	2,120,086	2,090,138
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>2,029,693</u>	<u>2,120,086</u>

The notes on pages 14 to 23 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), 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 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.

1.4 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 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.

1.6 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 by the Bank.

1.7 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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.

2. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Contributions receivable	<u>949,324</u>	<u>949,324</u>	<u>854,306</u>
<i>Total 2021</i>	<u>854,306</u>	<u>854,306</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	<u>225</u>	<u>8</u>	<u>233</u>	<u>1,306</u>
<i>Total 2021</i>	<u>1,274</u>	<u>32</u>	<u>1,306</u>	

4. Analysis of expenditure on charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	<u>1,082,433</u>	<u>1,082,433</u>	<u>690,852</u>
<i>Total 2021</i>	<u>690,852</u>	<u>690,852</u>	

5. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	<u>1,077,864</u>	<u>4,569</u>	<u>1,082,433</u>	<u>690,852</u>
<i>Total 2021</i>	<u>686,052</u>	<u>4,800</u>	<u>690,852</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Project Administration	82,594	79,208
Grants paid	966,522	585,623
Insurance	1,456	1,347
Sepa fees	27,291	19,837
Bank charges	1	37
	<u>1,077,864</u>	<u>686,052</u>

6. Auditors' remuneration

	2022 £	<i>2021 £</i>
The Auditor's remuneration amounts to an Audit fee of	3,600	3,600
Fees payable to the company's auditor in respect of:		
All non-audit services not included above	<u>969</u>	<u>1,200</u>

7. Analysis of grants

All grant recipients were institutions. See note 20 for further details.

8. Staff costs

The company has no employees other than the Trustees. No Trustees' received remuneration (2021 - £NIL).

The average number of persons employed by the company during the year was 0 (2021- 0).

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

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

THE FIFE ENVIRONMENT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Debtors

	2022	2021
	£	£
Due within one year		
Other debtors	473,931	461,192
Prepayments and accrued income	1,554	1,370
	<u>475,485</u>	<u>462,562</u>

11. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other creditors	1,549,880	1,495,778
Accruals and deferred income	19,018	17,714
	<u>1,568,898</u>	<u>1,513,492</u>

THE FIFE ENVIRONMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
General Funds	<u>990,482</u>	<u>949,549</u>	<u>(1,082,433)</u>	<u>857,598</u>
Restricted funds				
Burntisland Development Trust	68,586	8	-	68,594
Tullis Russell Environment Education	10,088	-	-	10,088
	<u>78,674</u>	<u>8</u>	<u>-</u>	<u>78,682</u>
Total of funds	<u><u>1,069,156</u></u>	<u><u>949,557</u></u>	<u><u>(1,082,433)</u></u>	<u><u>936,280</u></u>

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds				
General Funds	<u>825,754</u>	<u>855,580</u>	<u>(690,852)</u>	<u>990,482</u>
Restricted funds				
Burntisland Development Trust	68,554	32	-	68,586
Tullis Russell Environment Education	10,088	-	-	10,088
	<u>78,642</u>	<u>32</u>	<u>-</u>	<u>78,674</u>
Total of funds	<u><u>904,396</u></u>	<u><u>855,612</u></u>	<u><u>(690,852)</u></u>	<u><u>1,069,156</u></u>

THE FIFE ENVIRONMENT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021	Income	Expenditure	Balance at 31 March 2022
	£	£	£	£
General funds	990,482	949,549	(1,082,433)	857,598
Restricted funds	78,674	8	-	78,682
	<u>1,069,156</u>	<u>949,557</u>	<u>(1,082,433)</u>	<u>936,280</u>

Summary of funds - prior year

	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
General funds	825,754	855,580	(690,852)	990,482
Restricted funds	78,642	32	-	78,674
	<u>904,396</u>	<u>855,612</u>	<u>(690,852)</u>	<u>1,069,156</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 of funding which met the original funding criteria of Burntisland Development Trust.

During the year 2018, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Current assets	2,426,496	78,682	2,505,178
Creditors due within one year	(1,568,898)	-	(1,568,898)
Total	857,598	78,682	936,280

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Current assets	2,503,974	78,674	2,582,648
Creditors due within one year	(1,513,492)	-	(1,513,492)
Total	990,482	78,674	1,069,156

15. Related party transactions

Fife Council as a landfill site operator made contributions of £949,324 (2021 - £854,306) to the Trust during the year. At the balance sheet date £473,931 (2021 - £461,192) 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 £82,554 (2021 - £79,128) was paid by the Trust under the terms of the contract.

During the year grants were awarded to Falkland Stewardship Trust totalling £38,331 (2021: £NIL) an organisation that H Lawrenson is an employee of.

There were no transactions with the Trustees during the year (2021 - £NIL).

16. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(132,876)	164,760
Adjustments for:		
Dividends, interests and rents from investments	(233)	(1,306)
(Increase)/decrease in debtors	(12,923)	45,074
Increase/(decrease) in creditors	55,406	(179,886)
Net cash provided by/(used in) operating activities	(90,626)	28,642

18. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	2,029,693	2,120,086
Total cash and cash equivalents	2,029,693	2,120,086

19. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	2,120,086	(90,393)	2,029,693
	<u>2,120,086</u>	<u>(90,393)</u>	<u>2,029,693</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. 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 archaeological interest which is a place of religious worship, or a site of historic or architectural or archaeological interest and is open to the public.

	General Fund	Small Projects Fund	Total funds	Total funds 2021
	£	£	£	£
C	829,123	23,249	852,372	403,035
C/D	11,960	-	11,960	-
C/E	-	-	-	49,730
E	95,780	6,440	102,220	83,556
E/C	-	-	-	(122)
A/C/D	-	-	-	39,278
D/A	-	-	-	10,146
	<u>936,863</u>	<u>29,689</u>	<u>966,552</u>	<u>585,623</u>

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.

THE FIFE ENVIRONMENT TRUST
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2022	2021	2021
	£	£	£	£
Charity income				
Contributions receivable	949,324		854,306	
Bank interest receivable	225		1,274	
Bank interest receivable - restricted	8		32	
Total charity income		<u>949,557</u>		<u>855,612</u>
Less:				
Project Administration	82,594		79,208	
Grants Paid	966,522		585,623	
Sepa fees	27,291		19,837	
Accountancy fees	969		1,200	
Audit fees	3,600		3,600	
Insurance	1,456		1,347	
Bank charges	1		37	
		<u>1,082,433</u>		<u>690,852</u>
Total expenditure		<u>1,082,433</u>		<u>690,852</u>
Net (expenditure)/income before taxation for the reporting period		<u>(132,876)</u>		<u>164,760</u>
Net (expenditure)/income for the reporting period		<u><u>(132,876)</u></u>		<u><u>164,760</u></u>

The notes on pages 14 to 23 form part of these financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.