

FORWARD SCOTLAND

REPORT AND ACCOUNTS

**From the Date of Incorporation (31 May 2002) to 31 March 2003
Covering the 8 months Trading Period from 31 July 2002 to 31 March 2003**

Company Number: 232302

Scottish Charity Number: SC033204

FORWARD SCOTLAND

Head Office and Registered Office

6th Floor
Portcullis House
21 India Street
Glasgow
G2 4PH

Company Secretary

Penny Cousins

Bankers

Bank of Scotland
110 Battlefield Road
Glasgow
G42 9JT

Solicitors

Burness
242 West George Street
Glasgow
G2 4QY

Auditors

Scott-Moncrieff
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

FORWARD SCOTLAND

REPORT AND ACCOUNTS

**From the Date of Incorporation (31 May 2002) to 31 March 2003
Covering the 8 months Trading Period from 31 July 2002 to 31 March 2003**

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FORWARD SCOTLAND

REPORT OF THE DIRECTORS

The Directors present their report and accounts for the period from the date of incorporation of 31 May 2002 to 31 March 2003. This covers the 8 month trading period from 31 July 2002 to 31 March 2003.

Directors

The Directors during the period under review were as follows:

A Mearns, Chairperson
J Beveridge
K Collins (resigned 13 December 2002)
B Kelly (appointed 11 July 2002)
C McChord
J Markland
J Moorhouse (resigned 13 December 2002)
J Sturrock
R Young

All of the above were in place at the start of the period unless otherwise stated.

Organisation

Forward Scotland was incorporated on 31 May 2002 as a company limited by guarantee and without a share capital (Company Number SC033204). The company is a recognised Scottish Charity (Charity Number 232302) and is governed by a Memorandum and Articles of Association.

The company is a membership organisation with each of the Directors being individual members.

Sustainability Today Limited

In order to retain the name Forward Scotland the previous incorporation (a company limited by shares) was renamed Sustainability Today Limited. On 31 July 2002 Sustainability Today Limited (Company Number 129402) transferred all of its activities, contracts, assets and liabilities to Forward Scotland. All the contracts and conditions of employment for staff were also transferred at this date.

Sustainability Today Limited was dissolved pursuant to Section 652A of the Companies Act 1985 on 18th July 2003.

Subsidiary Company

On 11 July 2002 The Millennium Forest for Scotland Trust (MFST) became a wholly owned subsidiary company of Forward Scotland. The Convenor of MFST joined the Board of Forward Scotland and the Chair of Forward Scotland joined the Board of MFST. As the sole Member of MFST, Forward Scotland is responsible for the appointment of all Trustees.

MFST is a company limited by guarantee and a recognised charity. During the 15month period from 1 January 2003 to 31 March 2003 MFST had a deficit of income over expenditure of £371,298 and had net assets of £240,235 at 31 March 2003.

Through a Minute of Agreement Forward Scotland provides management and administrative support to MFST.

Objects and principal operations

FORWARD SCOTLAND

REPORT OF THE DIRECTORS

For the period to 31st March 2003 the objects and principal activities of Forward Scotland focused on working in partnership with communities and organisations of all kinds across Scotland to promote sustainable development. Specific aims of the organisation were to:

- develop and support innovative projects that demonstrate the benefits of sustainable development;
- influence policies and programmes at all levels, promoting a more integrated and sustainable approach to development; and
- promote awareness, understanding and adoption of best practice in sustainable development.

In pursuit of these aims the prime role of Forward Scotland has been to act as a catalyst, working with others to identify priority areas for action, explore and facilitate solutions, evaluate and report upon project outcomes, and disseminate knowledge to influence future actions and policy development.

Board of Directors

The Board of Directors meet on a quarterly basis to direct the affairs of the organisation. Dr Barbara Kelly was appointed to the Board on 11th July 2002. John Moorhouse and Kenneth Collins tendered their resignations with effect from 13th December 2002.

Plans are in place to recruit additional Directors during the financial year 2003-04.

Executive Team

There were significant changes in the work of the Executive Team during the period, reflecting the development of activities by the company. These included:

- establishment of a Transforming Waste Scotland grant scheme;
- establishment of the Community Environmental Renewal grant scheme;
- establishment of the Transforming your Space grant scheme;
- establishment of Sustainable Communities in the Local Environment and Sustainable Communities in the Natural Environment programmes.

Investors in People

Forward Scotland is a recognised *Investor in People* employer.

Re-recognition was awarded on 3rd October 2002.

FORWARD SCOTLAND

REPORT OF THE DIRECTORS

Activities and achievements during the period

Over the period the company has achieved significant growth and development in all three of its main areas of activity: the Sustainable Communities Programme; Partnership Programme; and Corporate Programme.

Within the *Sustainable Communities Programme* the following achievements are particularly worthy of note:

- launched the £4.3 million Fresh Futures : Transforming your Space Scheme in partnership with Scottish Natural Heritage, funded by New Opportunities Fund;
- completed 3 year sustainable communities project Going for Green in partnership with EnCams;
- managed the Fresh Futures : Greenspace and Sustainable Communities Scheme, enabling funding commitments to be made by Scottish Natural Heritage comprising £593,372 of Open Grant funding (across 32 projects) and £605,379 through the Sustainable Communities Project Fund (17 projects);
- awarded funding by Scottish Natural Heritage to deliver the Sustainable Communities in the Natural Environment project;
- awarded contract by the Scottish Executive to deliver the £1.5 million Community Environmental Renewal Scheme;
- awarded funding by the Scottish Executive to deliver the Sustainable Communities in the Local Environment programme (work on this was also completed during the period);
- initiated the Community Webnet project, with funding support from The Scottish Executive.

Within the *Partnership Programme* the most significant achievements during the year have been:

- launch of the £4.3 million Transforming Waste Scotland Scheme in partnership with Scottish Environment Protection Agency, Recycling Advisory Group Scotland and Keep Scotland Beautiful funded by the New Opportunities Fund;
- development and financial support for a portfolio of 16 strategic projects with key organisations and government agencies, focussing particularly on the themes of resource efficiency, waste, energy and travel, with projects in a range of industrial sectors including tourism, construction, and manufacturing;
- assessment of applications under the Small Projects Grant Scheme resulting in £24,599 of Forward Scotland grant committed to 37 community-based projects across Scotland;
- delivery of the Viridor landfill tax credit scheme grant programme, with £85,902 of grant committed through Forward Scotland to 6 projects in East Lothian and Edinburgh;
- delivery of the Paterson's landfill tax credit scheme grant programme, with £313,310 of grant committed through Forward Scotland to 11 projects in South Lanarkshire, Dumfries and Galloway;
- ministerial launch of Jobs in the Environment Support Unit website and production of two research papers (Funding and Jobs Potential in Sustainable Waste Management).

FORWARD SCOTLAND

REPORT OF THE DIRECTORS

The *Corporate Programme* encompasses internal operations, research and policy development, and communications and PR. Significant achievements in the course of the period have included:

- development of a new Forward Scotland website;
- Corporate Plan review, providing the framework for activities during 2003-04;
- further development and strengthening of management accounting, personnel and IT procedures;
- upgrading of IT systems in line with the changing needs of the organisation;
- installation of new internal communications and contact management system;
- research work on sustainable development (resource use, waste, energy, travel), specific issues (e.g. institutional waste management, construction waste, transportation of waste, energy system design, biofuels market) and the evaluation of completed projects;
- launch and promotion of three new grant schemes.

Strategic Review

Each year in October the Board carries out a strategic review of the Company's operations to provide direction for development of the Corporate Plan in the ensuing year.

Transactions and financial position

The Statement of Financial Activities shows a surplus of income over expenditure for the period of £134,931 giving a balance of funds of £928,119 to be carried forward as at 31st March 2003, representing restricted funds of £691,184 and unrestricted funds of £236,935.

The Notes to the Accounts provide details of grants received (Notes 2-4), grants paid and associated support costs (Note 5), other expenditure (Note 6), and analysis of restricted and unrestricted funds (Note 13). Movements in fixed assets are shown at Note 10.

Funds available

The Statement of Financial Activities shows that the company is in a position to adopt the identified programme of activities into the next financial year.

The Company is continually seeking new sources of income so that it may realise fully the aspirations set out in the Corporate Strategy.

Reserves Policy

At each quarterly Board meeting, as part of the Financial Report, the Directors review the reserves held by the Company, differentiating between restricted and unrestricted funds and between designated and undesignated funds.

In March of each year, through the Corporate Plan review process, the Board confirms the level of unrestricted, undesignated reserves that it is considered appropriate for the Company to hold for the next financial year, having regard to operating conditions and the need to manage identified sources of risk.

As at 31st March 2003 the total unrestricted reserves held by the Company were £236,935. This represented approximately 6 months' support for activities supported through unrestricted funds.

FORWARD SCOTLAND

REPORT OF THE DIRECTORS

The Board will continue keep both the Company's reserves policy and level of reserves under regular review.

Risk Assessment

The Directors have an approved risk management plan, with individual risk management plans prepared for all major projects. The Directors are satisfied that as at 31st March 2003 all relevant risks have been identified and systems have been established to mitigate these risks. Specific risks relevant at 31st March 2003 were identified as:

- imminent expiry of the existing funding agreement with The Scottish Executive; and
- requirement for the Company to relocate its offices during 2003-04.

In addition, the Company received notification in June 2003 that the Secretariat contract with the UK Sustainable Development Commission would expire on 30th September and would not be renewed.

The Directors are satisfied that the company will continue to adopt best practice in risk management, including an annual review by the Board of the approved risk management plan.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the excess or deficit of income over expenditure for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

Scott Moncrieff, Chartered Accountants were appointed first auditors of the company on 11th June 2003. A resolution proposing their reappointment will be put to the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On Behalf of the Board:

ANNE MEARNES

.....
DIRECTOR

26 January 2004

.....
DATE

FORWARD SCOTLAND

Independent Auditors' Report to the Members of Forward Scotland

We have audited the financial statements of Forward Scotland for the period from 31 May 2002 to 31 March 2003 set out on pages 8 to 23. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

FORWARD SCOTLAND

Independent Auditors' Report to the Members of Forward Scotland

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of the company's surplus of income over expenditure for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Scott-Moncrieff

Scott-Moncrieff
Chartered Accountants
Registered Auditor
25 Bothwell Street
Glasgow G2 6NL

Dated: **26 January 2004**

FORWARD SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

		8 Months to 31.03.03		
		Restricted Funds	Unrestricted Funds	Total Funds
	Note	£	£	£
INCOME				
Scottish Executive Funding	2	259,203	300,000	559,203
Donations from Landfill Operators and other Environmental Bodies	3	75,388	-	75,388
SNH	4	132,319	-	132,319
BP/Amoco – Jobs in the Environment		99,056	-	99,056
Going for Green		3,993	-	3,993
New Opportunities Fund – Transforming Waste Scotland		45,153	-	45,153
Millennium Forest for Scotland Trust		16,440	-	16,440
UK Sustainable Development Commission		6,278	-	6,278
Other Income		5,500	3,000	8,500
Investment Income		11,720	8,770	20,490
		655,050	311,770	966,820
EXPENDITURE				
Direct Charitable Expenditure				
Grants: Funds Distributed	5a	161,465	-	161,465
Support Costs	5b	67,382	18,893	86,275
Fresh Futures Grant Management	5c	108,842	-	108,842
Project Costs	5d	268,142	19,309	287,451
		605,831	38,202	644,033
Other Expenditure				
Fundraising and Publicity Costs		-	28,447	28,447
Management and Administration	6	17,786	141,623	159,409
		17,786	170,070	187,856
Total Expenditure		623,617	208,272	831,889
Net Income/(Expenditure) for the period		31,433	103,498	134,931
Total Funds Transferred from Sustainability Today Limited	16	464,680	328,508	793,188
Transfer between funds	8	195,071	(195,071)	-
TOTAL FUNDS CARRIED FORWARD	12	691,184	236,935	928,119

There are no recognised gains or losses other than those shown above.

The Notes on pages 10 to 23 form part of these accounts

FORWARD SCOTLAND

BALANCE SHEET

As at 31 March 2003

	Note	31.3.03 £
FIXED ASSETS		
Tangible assets	9	42,773
CURRENT ASSETS		
Debtors	10	83,448
Cash at bank and in hand		884,416
		967,864
Creditors: Amounts falling due within one year	11	82,518
NET CURRENT ASSETS		885,346
NET ASSETS		<u>928,119</u>
CAPITAL AND RESERVES		
Restricted Funds	12,13	691,184
Unrestricted funds	12,13	236,935
		<u>928,119</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on and signed on its behalf by:

ANNE MEARNS

DIRECTOR

26 January 2004

The notes on pages 10 to 23 form part of these accounts.

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

1. Accounting Policies

Accounting Convention

The accounts have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards and the Statement of Recommended Practice for Charity Accounts approved by the Accounting Standards Board in October 2000.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Consolidation

The company forms part of a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds that must be used for specific activities that have been declared by the donor.

Unrestricted funds are expendable at the discretion of the Directors in the furtherance of the objects of the Company.

Operating Leases

Costs under operating leases are charged to the Income and Expenditure Account in the period to which they relate.

Management and Support Costs

The Company's operating costs include both management costs and support costs. In Statement of Financial Activities (including the Income and Expenditure Account) these have been apportioned over the various activities to reflect the value each activity derives from the expenditure, according to a consistent formula.

Support costs are those incurred wholly or mainly in support of the implementation of the various initiatives being delivered by the Company.

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life or, if held under a finance lease, over the lease term, whichever is the shorter. The rates used are as follows:

Office Equipment – 20% & 33.3% on cost

Computer Equipment – 33.3% on cost

Grants receivable

Grants receivable are only recognised when the conditions for receipt have been met in full and when there is reasonable assurance of receipt.

Grants payable

Grants payable are only recognised when the conditions for payment have been met in full by the recipient.

Resources Expended

Resources expended are included in the Statement of Financial Activities (including the Income and Expenditure Account) on an accruals basis. The company operates programme based budgeting which enables detailed cost allocations to be identified providing the basis for allocation between Support Costs and Management and Administration.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged as they become payable in accordance with the rules of the scheme.

Deferred Income

Income is deferred when timing pre-conditions for its use have been stipulated by the donor.

2. Scottish Executive Funding

Funding was received from the Scottish Executive for the following:

	8 Months to 31.03.03
	£
Unrestricted Funding	300,000
Accommodation Costs	16,668
Chair's Salary	6,668
Community Environmental Renewal Scheme	2,884
Sustainable Communities in the Local Environment	183,066
Community WebNet	49,917
	<hr/>
	559,203

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

3. Donations from Landfill Operators and Other Environmental Bodies

	8 Months to 31.3.03 £
Patersons	70,000
Fife Environment Trust	5,388
	<hr/> 75,388 <hr/>

4. SNH Funding

Funding was received from Scottish Natural Heritage for the following:

	£
Fresh Futures: GSSC	111,237
Fresh Futures: TYS	18,984
Sustainable Communities in the Natural Environment	2,098
	<hr/> 132,319 <hr/>

5. Direct Charitable Expenditure

5a). Grants to Projects

Recipient	£
Partnership Projects	
Tern Television – Beechgrove Garden	16,000
Paisley University – Waste Minimisation	6,000
Environmental Business Communications – Mapping Study	5,875
Sustrans – Cycle Tourism Project	5,560
Envirocentre – Fife Education Website (from Restricted Funds)	5,388
Envirocentre – Education Resource Project	5,000
Adventis – Recycled Projects	3,758
Midlothian Chamber of Commerce – Success & Sustainability	1,000
Strathclyde University – Education for Sustainable Development	844
Small Grant Scheme (19 payments of range £350-£1,000)	8,924
	<hr/> 58,349 <hr/>

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

5a). Grants to Projects(cont.)

Landfill Projects – Viridor (distributing to East Lothian)

East Lothian Yacht Club – Facilities Development Project	42,931
Riding for the Disabled – Indoor Arena Phase 2	20,000
Dunbar Community Development Company - Spott Village Hall Playground	10,590
Midlothian Enterprise Trust – Business Environment Partnership	8,000
John Muir Trust – Award in East Lothian	5,685
Dunglas Parish Church – Cockburnspath Church Vestry & Toilet	4,000
	<hr/>
	91,206

Landfill Projects – Paterson’s (distributing to South Lanarkshire, Stirling, Dumfries & Galloway)

Stirling Council – Fallin Colliery Site	3,373
Greenburn School – Lord Provost’s Environmental Challenge Fund	3,000
East Kilbride Rotary Club - Lord Provost’s Environmental Challenge Fund	2,977
Moffat Community Council – Waterside Walk	1,780
South Lanarkshire – Provost’s Environmental Awards	780
	<hr/>
	11,910

Total Grants to Projects

161,465

5b). Support Costs

	Restricted	Unrestricted	8 Months to 31.3.03
	£	£	£
Landfill Tax Projects	22,890	-	22,890
Partnership Fund Projects	-	17,041	17,041
Small Projects Grant Scheme	-	1,852	1,852
Transforming Waste Scotland	41,608	-	41,608
Community Environmental Renewal Scheme	2,884	-	2,884
	<hr/>	<hr/>	<hr/>
	67,382	18,893	86,275

The support costs for the Transforming Waste Scotland and Community Environmental Renewal Scheme are the set up costs of these programmes; the first round of grants will be paid out in the next financial year.

5c). Fresh Futures Grant Management

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

	Restricted	Unrestricted	8 Months to 31.3.03
	£	£	£
Fresh Futures : Greenspace and Sustainable Communities	90,364	-	90,364
Fresh Futures : Transforming your Space	18,478	-	18,478
	<u>108,842</u>	<u>-</u>	<u>108,842</u>

Included in the above are the management, administration and development costs of the Fresh Futures schemes for which the grants (approx. £1.2M) are paid out by a third party, Scottish Natural Heritage.

5d). Project Costs

	Restricted	Unrestricted	8 Months to 31.3.03
	£	£	£
Jobs in the Environment	53,845	-	53,845
Going for Green	3,993	-	3,993
Community Gardens	8,857	-	8,857
Research & policy	-	19,309	19,309
Millennium Forest for Scotland Trust	16,440	-	16,440
UK Sustainable Development Comm ⁿ .	6,278	-	6,278
Sustainable Communities in the Natural Environment	2,098	-	2,098
Sustainable Communities in the Local Environment	159,003	-	159,003
Community WebNet	17,628	-	17,628
	<u>268,142</u>	<u>19,309</u>	<u>287,451</u>

6. Other Expenditure

	Restricted	Unrestricted	8 Months to 31.3.03
	£	£	£
Staff Costs	6,668	117,385	124,053
Travel & Subsistence	-	5,016	5,016
Subscriptions & Publications	-	1,180	1,180
Audit	-	5,640	5,640
Rent	7,426	-	7,426
Consultancy	-	10,313	10,313
Other Costs	-	23,567	23,567
Depreciation	3,692	6,969	10,661
	<u>17,786</u>	<u>170,070</u>	<u>187,856</u>

7. Staff Costs

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

Contracts of employment are as follows:

	£
Salaries	284,702
Social Security Costs	26,722
Pension Contributions	28,714
	<u>340,148</u>

The average weekly number of persons employed by the company was as follows:

	Number
Project Support	13
Communications & Administration	5
	<u>18</u>

	£
Directors remuneration for additional services during the period (in accordance with Articles of Association 47(d) and 51)	7,052
NI Contributions on Directors remuneration	288
Value of Company Pension Contributions	705
	<u>8,045</u>

	Number
The number of directors who are accruing benefits under money purchase schemes were as follows:	1

Employees with earnings greater than £50,000 per annum The pension contribution for this employee was £3,253.	1
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8. Transfer Between Funds

The Directors approved the designation of £195,071 of unrestricted funds as restricted to fund the Community WebNet programme (£23,500), the Community Gardens project (£8,857), the Partnership Projects programme (£137,041) and the Small Projects Grant Scheme (£25,673).

9. Fixed Assets

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

	Office Equipment £	Computer Equipment £	Total £
Cost :			
Transferred from Sustainability Today Ltd	23,581	59,796	83,377
Additions	1,686	25,478	27,164
At 31 March 2003	<u>25,267</u>	<u>85,274</u>	<u>110,541</u>
Depreciation :			
Transferred from Sustainability Today Ltd	11,572	45,535	57,107
Charge for the period	3,105	7,556	10,661
At 31 March 2003	<u>14,677</u>	<u>53,092</u>	<u>67,768</u>
Net book value:			
At 31 March 2003	<u>10,590</u>	<u>32,182</u>	<u>42,773</u>

10. Debtors

	£
Grants Due	72,888
Prepayments	10,560
At 31 March 2003	<u>83,448</u>

11. Creditors: Amounts falling due within one year

	£
Trade Creditors	41,729
Accrued Expenses	40,789
At 31 March 2003	<u>82,518</u>

12. Funds

12a). Analysis of Funds

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

	Transferred from Sustainability Today Limited	Incoming (incl. Interest rec'd)	Outgoing	Transfers	At 31.03.03
	£	£	£	£	£
Restricted Funds					
Scot. Exec. - Rent	26,321	16,668	(7,426)	-	35,563
Scot. Exec. - Chair's Salary	-	6,668	(6,668)	-	-
Scot. Exec. - CERS	-	2,884	(2,884)	-	-
Scot. Exec. - SCILE	-	183,198	(159,004)	-	24,194
Scot Exec. – Com. Webnet	-	50,148	(19,152)	23,500	54,496
Landfill Tax – Patersons	298,707	77,692	(28,550)	-	347,849
Landfill Tax – Viridor	135,534	2,242	(97,456)	-	40,320
Landfill Tax - Other	-	5,388	(5,388)	-	-
SNH – GSSC	2,369	111,237	(91,585)	-	22,021
SNH – TyS	-	18,984	(18,515)	-	469
SNH – SCINE	-	2,098	(2,098)	-	-
BP/AMOCO – JITESU	1,749	100,479	(54,491)	-	47,737
Going for Green	-	3,993	(3,993)	-	-
Community Gardens	-	-	(8,857)	8,857	-
Partnership Projects	-	-	(44,037)	137,041	93,004
Small Project Grant Scheme	-	-	(8,924)	25,673	16,749
NOF – TWS	-	45,153	(41,871)	-	3,282
MFST	-	16,440	(16,440)	-	-
UK SDC	-	6,278	(6,278)	-	-
Other Income	-	5,500	-	-	5,500
	464,680	655,050	(623,617)	195,071	691,184
Unrestricted Funds	328,508	311,770	(208,272)	(195,071)	236,935
Total Funds	793,188	966,820	(831,889)	-	928,119

12b). Restricted Funds

The restricted funds held mainly represent funds drawn down to deliver specific programmes as follows:

Scottish Executive

Rent – Contribution towards rental costs.

Chair's Salary – Contribution towards the salary of the Chair of Forward Scotland.

12b). Restricted Funds (cont.)

Community Environmental Renewal Scheme (CERS) - Provides funding to communities in areas affected by past or present quarrying to address the environmental effects.

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

Sustainable Communities in the Local Environment (SCILE) - Provides an information bank of practical projects combined with a community toolkit to assist others to replicate good practice.

Community WebNet - An interactive information resource offering opportunities to exchange and share good practice on ways to improve quality of life in local communities.

Partnership Fund - Funds to meet committed Partnership Fund expenditure. This fund allows Forward Scotland to form partnerships with other groups in the pursuit of Sustainable Development.

Small Grant Scheme - Funds to meet committed Small Grants. The aim of this is to provide funding to constituted groups that wish to pursue an environmental project.

Community Gardens – Funding to produce information sheets and other guidance for communities undertaking community garden projects.

Landfill Tax

Forward Scotland administers the applications, assessments and distribution of grants on behalf of 2 landfill operators, Patersons Quarries and Viridor Waste Management. The grants offer funding to community projects in vicinity of landfill sites.

Scottish Natural Heritage

Fresh Futures: Greenspaces and Sustainable Communities (GSSC); and Transforming your Space - Forward Scotland is a partner with Scottish Natural Heritage. Both of these schemes aim to help communities improve their local environment.

Sustainable Communities in the Natural Environment (SCINE) - Aims to work with communities and key stakeholders to encourage increased awareness and understanding of the natural heritage.

BP/AMOCO

Funding is provided for the Jobs in the Environment Support Unit (JITESU), an initiative to promote employment in the environmental sector.

Going for Green

Funded by ENCAMS, this programme attempted to address the problems of deprivation in Scotland.

12b). Restricted Funds (cont.)

New Opportunities Fund

Funds Transforming Waste Scotland, a grant scheme which aims to expand community sector waste re-use, recycling or composting in support of national and local area waste plans.

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

Millennium Forest for Scotland

Funded by the Millennium Commission this project was designed to celebrate the turn of the millennium by helping to restore Scotland's depleted native woodland.

UK Sustainable Development Commission

Forward Scotland provides Secretariat support for the Scottish Commissioners.

12c). Unrestricted Funds - see financial reserves policy (see page 5).

13. Charitable Commitments

Included in restricted reserves are:

	Transferred from Sustainability Today £	Net movement in the period £	At 31.3.03 £
Landfill Tax – Patersons	27,876	297,287	325,163
Landfill Tax – Viridor	101,930	(61,610)	40,320
Small Grants Scheme	-	16,749	16,749
Partnership Projects	-	93,004	93,004
	<u>129,806</u>	<u>345,430</u>	<u>475,236</u>

14. Taxation Status

The Trust is recognised by the Inland Revenue as a charity for the purposes of Section 505, Income & Corporation Taxes Act 1988 and is entitled under Section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 to describe itself as a Scottish charity.

15. Directors Expenses

During the period 2 Directors claimed and received expense payments for a total amount of £229.

16. Transfer of Funds from Sustainability Today Limited

Total funds transferred from Sustainability Today Limited were split as follows:

Restricted £	Unrestricted £	Total £
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FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

Fixed Assets	4,117	22,153	26,270
Debtors	89,506	80,832	170,338
Bank	526,004	230,465	756,469
Creditors	(154,947)	(4,942)	(159,889)
	<u>464,680</u>	<u>328,508</u>	<u>793,188</u>

17. Net Assets Split by Funds

	Tangible Fixed Assets	Net Current Assets	Total
	£	£	£
Restricted			
Landfill Tax	-	388,169	388,169
SNH	1,616	20,874	22,490
BP/AMOCO	1,103	46,634	47,737
NOF	3,282	-	3,282
Scottish Executive	12,199	211,807	114,253
Other Income	-	5,500	5,500
	<u>18,200</u>	<u>672,984</u>	<u>691,184</u>
Unrestricted Funds	24,573	212,362	236,935
	<u>42,773</u>	<u>885,346</u>	<u>928,119</u>

18. Related Parties

There were salaries recharged to MFST amounting to £16,400. This is a related party as Forward Scotland is the sole member of the Trust.

Due to the nature of the company's operations and the composition of its Board of Directors it is inevitable that transactions will take place with companies or other organisations in which a Director may have an interest. All transactions involving companies or organisations in which a Director may have an interest are conducted at arms length and in accordance with normal project and programme rules. Directors are not permitted to participate in discussions or decisions on transactions involving their related businesses.

18. Related Parties (cont.)

The following persons held official positions with such bodies:

Board Member	Interest
A Mearns	Director of The Scottish Parliament and Business Exchange Trustee of The Clerk Maxwell Cancer Research Fund Trustee of The Millennium Forest for Scotland Trust

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

J Beveridge	Partner of I.C.Christie & Co
K Collins	Board Member of Central Scotland Countryside Trust Chairman of Scottish Environmental Protection Agency Board Member of European Environment Agency Board Member of Institute of European Environmental Policy Board Member of Energy Action Scotland
C McChord	Elected Member of Stirling Council Board Member of Scottish Environmental Protection Agency Chairman of Scottish Environmental Protection Agency East Board Member of Communities Scotland Chairman of Keep Scotland Beautiful
J Sturrock	Elected Member of Dundee City Council Board Member of Scottish Environmental Protection Agency East
J Moorhouse	Director of CTF Training Director of Big Issue Foundation Scotland Chairman of Nobel Exhibition Trust Director of The Piping Centre Director of the Scottish Science Trust Director of The Chest Heart and Stroke Association Scotland Director of CHSA Trading Limited Director of Adaptive Venture Managers Ltd Chairman of Omni 20 10 Director of The Piping Centre Tuition Director of The Big Idea Inventor Centre Ltd Director of Columba 1400
J Markland	Chairman of Scottish Natural Heritage Chairman of Scottish Leadership Foundation Trustee of ENCAMS Trustee of ENCAMS Scotland Trustee of Perth Repertory Theatre Member of University of Edinburgh Court
B Kelly	Partner of K.A.Kelly Farms Board Member of BP plc Board Member of Consignia Scotland Convenor of The Millennium Forest for Scotland Trust Trustee of the Robertson Trust Trustee of the Crichton Foundation Convenor of the Southern Uplands Partnership Trustee of the Barataria Foundation Convenor of LEADER+ LAG Member of the South Scotland Objective 2 Monitoring Committee Hon Vice President of BTCV Scotland

18. Related Parties (cont.)

Board Member	Interest
R Young	Member of the Sustainable Development Commission Convenor of the Rural Housing Service Director of the Govan Initiative Member of the Scottish Welfare to Work Taskforce

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003

	Chair of PI Care Services
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The company itself is a member of several sustainability trusts: Aberdeen Forward
Sustain Dundee
North Lanarkshire Forward.

Staff who have similar interests:

Board Member	Interest
F Scott	Director of Aberdeen Forward Director of Sustain Dundee Director of Fife Environment Trust Director of Edinburgh Environmental Partnership Grant Scheme Ltd Trustee of Perth & Kinross Quality of Life Trust Trustee of Stirling Landfill Tax Trust Director of North Lanarkshire Forward Chairman of Renfrewshire Environment Trust Director of West Dunbartonshire Environment Trust Trustee of South Ayrshire Waste & Environmental Trust
M Cunningham	Director of BANCEP Ltd
N MacGillivray	Council Member of the Highland Fund
P Cousins	Member of Scottish Arts Council Lottery Grants Committee

During the period there were transactions with related companies amounting to net income of £139,217. These companies were related by common directorship.

Organisation	Director	Amount £
Going for Green	J Markland C McChord	3,993
Scottish Natural Heritage	J Markland	132,319
Sustainable Development Commission	R Young	6,278
Stirling Council	C McChord	(3,373)

18. Related Parties (cont.)

During the period the following Forward Scotland Board members chaired Grants Panels for Grant Schemes managed by Forward Scotland:

Board Member	Grants Panel
Jim Beveridge	Fresh Futures

FORWARD SCOTLAND

NOTES TO THE ACCOUNTS

For the 8 month period from 31 July 2002 (date trading commenced) to 31 March 2003
(GSSC)

During the period the following individuals sat on Grants Panels for Grant Schemes managed by Forward Scotland and had responsibility for the allocation of grant funding to individual projects:

Grant Panel	Panel Member	Interests
Fresh Futures	Sheena Wurthman	Member of SNH West Areas Board
Fresh Futures	Jim McCarthy	Member of SNH East Areas Board (retired)
Fresh Futures	Julia Palmer	Employee of Capital City Partnership
Fresh Futures	Karryn Kirk	Employee of Heriot Watt Sustainability Unit
Fresh Futures	Jon Simmons	Employee of Ferguson McIlveen Member of Executive, Landscape Institute Scotland
Fresh Futures	Susan Whitfield	Employee of Renfrewshire Council
Viridor	Stephen Bunyan	Member of Dunbar Community Council
Viridor	Peter Collins	Employee of East Lothian Council
Viridor	Susan Churchill	Employee of Viridor Credits
Viridor	Dan Cooke	Employee of Viridor Waste Management
Viridor	Diana Dyce	Employee of Torness Power Station
Viridor	Norman Hampshire	Member of East Lothian Council
Viridor	Ian Perry	Member of City of Edinburgh Council
Viridor	Peter Swain	Member of Lammermuir Community Council
Viridor	Clive Barber	Employee of Viridor Waste Management

19. Operating Lease Commitments

	Land & Buildings	Other
	£	£
Within one year	21,500	3,880