

Scottish Fair Trade Forum
(A Company Limited by Guarantee)
Report and Financial Statements
For the Year Ended
31 March 2018

Company Number: SC337384

Charity Number: SC039883

Scottish Fair Trade Forum

Report and Financial Statements For the Year Ended 31 March 2018

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Scottish Fair Trade Forum

Report of the Directors For the Year Ended 31 March 2018

The directors, who for the purposes of charity law are the trustees of the charity (hereinafter referred to as 'Trustees'), are pleased to present their report and the financial statements for the year ended 31 March 2018.

Objectives and Activities

The charitable purposes of the Scottish Fair Trade Forum (the Forum) are to relieve poverty by establishing, maintaining and promoting Scotland as a Fair Trade Nation, thereby to improve the work of the voluntary sector and effectiveness of charities forming part of the Fair Trade movement by:

- a) supporting, building, extending and maintaining the Fair Trade movement in and throughout Scotland
- b) educating stakeholders and the public generally through the production of relevant information, marketing and promotion of Fair Trade at every level of Scottish society
- c) facilitating and exchanging knowledge and information between Scotland and other Fair Trade countries and communities; and
- d) facilitating and exchanging knowledge and information between Scotland and Fair Trade producers in developing countries.

The Forum's Mission, Vision and Aims are:

Vision: The Scottish Fair Trade Forum works to help make Scotland a nation which is a global leader in challenging global poverty and recognises the dignity and rights of producers through a commitment to fairness in international trading.

Mission: The Scottish Fair Trade Forum exists to maintain Fair Trade Nation status for Scotland and build upon that achievement to embed the values of Fair Trade in all aspects of Scottish society.

Aims:

1. To maintain and develop Fair Trade Nation status.
2. To integrate Fair Trade principles into decision-making and procedures at all levels of government in Scotland.
3. To encourage the business community to integrate Fair Trade principles and corporate accountability into all aspects of their business, and to encourage the growth of the Fair Trade sector in Scotland.
4. To develop and enable strategic partnerships with communities and activists.
5. To engage the broader public in Scotland's Fair Trade Nation campaign by raising awareness and encouraging understanding of the role of Fair Trade in creating a more sustainable world.
6. To strengthen links with producer communities and continue to promote awareness of the mutual benefits derived by consumers and producers from Fair Trade.

Achievements and Performance

Having achieved Fair Trade Nation status in February 2013 and had that status successfully reassessed in February 2017, the Forum continues to be engaged with ensuring that the achievement is maintained and developed, working at all levels of society to increase awareness and understanding of Fair Trade.

In 2017/18, the Forum had one year's core funding from the Scottish Government linked to agreed activities, outputs and outcomes. This one-year funding was planned as an interim measure while the Scottish Government held a review of how it supported Fair Trade and it was anticipated that the Forum would return to multi-year funding arrangements in the future.

Scottish Fair Trade Forum

Report of the Directors (continued)

Achievements and Performance (continued)

Organisational development and planning

The Board decided to instigate a programme of organisational development and planning, having taken into account comment from the Scottish Government, members and supporters as well as its own deliberations, the recommendations of the reassessment of Fair Trade Nation, and the wider context of key factors facing the Fair Trade movement globally and future international trade such as changes in certification and the implications of Brexit and international trade deals.

The Board also noted that it would not be reasonable to expect that core funding from the Scottish Government would continue indefinitely at a consistent level and that it is not healthy to be core funded from one source for a prolonged or indefinite period. Therefore, the Board established a Development Group of Board members and staff to work with a consultant to develop new income generation ideas and produce a draft ten year business plan to be the basis of consultation with funders, partners, members and supporters in 2018/19.

Scottish Government and Scottish Parliament

The Scottish Government is still currently the Forum's main funder and a strong supporter of Scotland's Fair Trade Nation campaign. Regular communication with Scottish Government officials and consistent Ministerial support has enhanced work with Scottish public, private and voluntary sector organisations and partners in the international development sector. The Minister for International Development and Europe, Dr Alasdair Allan MSP, has continued to support the Forum over the last year through meetings and events.

The Scottish Parliament Cross Party Group on Fair Trade has continued to meet throughout the year with Colin Smyth MSP as Convenor and Gordon Lindhurst MSP as Vice Convenor discussing such issues as Fair Trade verification systems and Brexit.

The Fair Trade market in Scotland

As part of the Forum's work on understanding the Fair Trade market in Scotland, a survey of businesses in Scotland importing, supplying and selling Fair Trade products was carried out and also a national consumer survey was undertaken. The data from the business survey and consumer polling has been analysed in order to inform activities in the year ahead to support the growth of the Fair Trade market in Scotland. Significant work on the 'suppliers page' on the website has been undertaken to improve the level of information available and also the 'searchability' of that information. This will lead to a significantly improved online interface in 2018/19.

Key purchasers in the public sector, private sector, and the cultural and sports sector

The Forum continues to work with the Scottish Government's Procurement Directorate and public sector procurement officers with the aim of increasing procurement of Fair Trade goods by public sector bodies. The Forum has been working with the Procurement Directorate to produce case study examples of best practice.

The Forum has continued to develop its relationships with public sector organisations. It has continued to work closely with Scotland's local authorities and it has developed its links with other public sector organisations. The Forum works closely with the education sector at early years, school, college and university level. The early years work has been successfully integrated into the wider education support work of the Forum. The Forum has continued to work closely with Development Education Centres to support their work in providing professional development for teachers and educational resources on Fair Trade.

The Forum has also targeted in particular the private sector, and cultural and sporting venues and organisations throughout the year and has learnt lessons about engaging with these organisations in order to work with them more effectively in the future.

Scottish Fair Trade Forum

Report of the Directors (continued)

Achievements and Performance (continued)

Supporting local Fair Trade groups and campaigners

The Forum's tenth annual Fair Trade Campaigner Conference was held in Perth. This event, as has been practice in recent years, incorporated the Forum's AGM to maximise attendance and participation in both events by campaigners from across the network. The conference was addressed by speakers from the Forum, Fairtrade Foundation, the Scottish Government International Development Team and the Trade Justice Movement. In a break from previous practice, the conference was co-hosted by the local Fair Trade Group who hosted the content of the afternoon session.

The Forum has continued to offer support and assistance to local groups with media work, assistance in setting up new Fair Trade Town groups, events planning and general advice. Through the Forum website, use of social media and newsletter, we have regularly highlighted and publicised local Fair Trade events and some of the work that serves as examples of best practice. The Forum continues its small grants programme, the Community Grants Scheme, to support local community groups in promoting Fair Trade. During the year, the Forum has begun work to establish a regional network of campaigner groups and Fair Trade Champions in each region.

Two more local authority areas, Dumfries and Galloway and South Ayrshire, were awarded Fairtrade Zone status by the Fairtrade Foundation during the year.

The Forum hosted the fifth Scottish Fair Trade Awards, this year in Paisley in partnership with Rainbow Turtle, recognising the work of volunteers, campaigners and organisations in promoting Fair Trade across Scotland. Some of the awards attracted sponsorship for the first time.

Professor Bob Doherty of York Management School, University of York, delivered the Annual Fair Trade Nation Lecture, which took place this year at the City of Glasgow College on the subject of 'Food Security and Fair Trade'.

Producer tours and links

For Fairtrade Fortnight 2018, Bernard Kaunda (Acting Chief Executive) and Christopher Gondwe (Quality and Processing Executive) were our guests from Mzuzu Coffee Planters Co-operative Union. The adverse weather conditions meant that we lost a significant number of events in the first week of the fortnight in St Andrews, Perth, Stirling, Dundee and Aberdeen. The rest of the programme progressed well including visits to retailers selling Mzuzu Coffee, and Matthew Algie in Glasgow that roast Mzuzu coffee beans. They also had discussions with Fair Trade Scotland about bringing 'value added' coffee to the Scottish market. They took part in community events in Hamilton, Edinburgh and Renfrewshire. They also met the Minister for International Development, the Cabinet Secretary for External Affairs, the Cross Party Group on Fair Trade and took part in a joint video call meeting of the Scottish Parliament Cross Party Group on Malawi and the UK Parliament's All Party Group on Malawi. They also took part in a number of events hosted by the Scotland Malawi Partnership before returning to Malawi.

Partners and stakeholders

The Forum has maintained its close working relationship with the Fairtrade Foundation and Fair Trade Wales. The Fairtrade Foundation was represented at the Forum's AGM and Campaigner Conference. The Forum continued to develop a network of organisations globally interested in developing the model of Fair Trade Nations and Regions globally. The Forum co-lead a workshop at the International Fair Trade Towns Conference on 'Fair Trade Nations and Regions' and was represented in Belfast at the announcement of Northern Ireland as a Fairtrade Devolved Region.

The Forum has continued to work closely with a wide range of partner organisations including Scotland's International Development Alliance, the Scotland Malawi Partnership and the Development Education Centres (DECs). Memoranda of Understanding have been agreed with five DECs and it has been agreed with SMP to develop a MoU with them.

Scottish Fair Trade Forum

Report of the Directors (continued)

Achievements and Performance (continued)

We were a partner in a successful funding application to the Scottish Government's Rwanda funding stream. This project is led by Challenges Worldwide to develop the Fairtrade coffee market from Rwanda. The Balmore Trust was successful in an application to the Scottish Government International Development Small Grants Scheme in which we are a partner that will support work with farmers in Malawi achieve World Fair Trade Organisation (WFTO) Guarantee System status for their products.

Financial Review

The income and expenditure for the year is set out in the Statement of Financial Activities on page 9, which shows restricted and unrestricted funds in separate columns. This shows an increase in funds of £7,629 during the year, with an increase in unrestricted funds of £1,046 and in restricted funds of £6,583. The movement on each separate fund is shown in note 10 on page 15.

Income increased to £172,112 from £150,045, mainly due to an increase in the core Scottish Government grant and additional grant income from Challenges Worldwide for the new Rwanda coffee growers' project. Expenditure decreased to £164,483 compared to £185,461 in the previous year. General campaign expenditure was reduced, partly due to additional specific grants being awarded in the previous year as well as other restricted fund spending in the previous year. A detailed analysis of expenditure is shown in note 3 on pages 12-13.

Total funds at the year end amounted to £25,018. The general unrestricted fund was £14,706, there was a designated fixed assets fund of £918 and restricted funds of £9,394 were held for the purposes outlined in note 10.

Reserves Policy

It is our policy to hold 'free' reserves equivalent to at least 3 months' fixed costs, estimated at around £32,900 and at no point should these be more than 18 months' fixed costs. At the end of the year, the charity held unrestricted free reserves, excluding those held as fixed assets, of £14,706. The Trustees are actively seeking ways to grow reserves through generating unrestricted income from donations and events and ensuring that all core and project expenditure remains within budgeted and funded levels.

Structure, Governance and Management

The Scottish Fair Trade Forum (the Forum) is a company limited by guarantee, with the liability of members limited to £1 each. The company is governed by the terms of its Memorandum and Articles of Association and is a registered Scottish charity. Trustees (who are directors of the company) are recruited from the membership. Up to three Trustees are elected by each section of the membership: the 'Individual Members', the 'Small Business and Organisation Members', the 'Medium Business and Organisation Members', the 'Large Business and Organisation Members' and up to three Trustees co-opted by the Board. A third of the Trustees are subject to re-election each year. At the 2017 AGM, one third were up for re-election and all places were filled.

Trustees continue to be encouraged to keep up to date with their responsibilities under charity and company law. A Trustee Handbook reflecting current best practice is issued to all Trustees. The Trustees meet a minimum of five times per year and are responsible for the strategic direction and policies of the charity. They are aware of the major risks affecting the charity and consider that, as far as possible, appropriate procedures are in place to mitigate those risks. The names of those who served as Trustees during the year are shown below together with other reference and administrative information.

The Forum continues to operate successfully from offices in Robertson House in central Glasgow. Robertson House is operated by the Robertson Trust as a hub for third sector organisations.

Scottish Fair Trade Forum

Report of the Directors (continued)

Reference and Administrative Information

Company registration: SC337384
Company Limited by Guarantee

Charity registration: SC039883
Scottish Charity

**Registered office and
principal office address:** Robertson House
152 Bath Street
Glasgow
G2 4TB

Trustees

The following served as Trustees (directors of the company) during the year:

Current Trustees:

Graeme Clark (Chair)
Rachel Farey (Vice-Chair)
Charles Sim (Vice-Chair)
Luke Harris (Treasurer)
Jackie Arreaza
Joshua Brown (appointed 2 September 2017)
Angus Coull
Senga Gall
Elisabeth Manson (appointed 2 September 2017)
Tracy Mitchell
Hamish Wood

Also serving in the year:

Chris Ross (resigned 1 April 2018)
Rosie Rutherford (resigned 2 September 2017)
Robin Stewart (resigned 2 September 2017)

Bankers: The Co-operative Bank
Delf House
Southway
Skelmersdale
WN8 6WT

Independent Examiner: Paul M Clelland CA
Suite 1, First Floor West
Clydeaway House
813 South Street
Glasgow
G14 0BX

Scottish Fair Trade Forum

Report of the Directors (continued)

Small Companies Provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Approved by the Board of Trustees on 26 June 2018 and signed on its behalf by:

G Clark
Director

Company Registration Number: SC337384

Report of the Independent Examiner To the Trustees of Scottish Fair Trade Forum

I report on the accounts of Scottish Fair Trade Forum for the year ended 31 March 2018, which are set out on pages 9 to 17.

Respective responsibilities of trustees and examiner

The directors, as trustees of the charity, are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006, as amended (the 2006 Accounts Regulations). They consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Paul M Clelland CA

Date:

Member of the Institute of Chartered Accountants of Scotland

Paul Clelland Accountancy
Suite 1, First Floor West
Clydeaway House
813 South Street
Glasgow
G14 0BX

Scottish Fair Trade Forum

Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 March 2018

Income from:	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<i>Donations and legacies:</i>					
Grants	2	-	165,440	165,440	144,350
Membership fees and donations		5,825	-	5,825	5,298
<i>Charitable activities:</i>					
Event and sales income		834	-	834	355
<i>Investments:</i>					
Interest earned		13	-	13	42
Total		<u>6,672</u>	<u>165,440</u>	<u>172,112</u>	<u>150,045</u>
Expenditure on:					
<i>Charitable activities</i>	3	5,626	158,857	164,483	185,461
Total		<u>5,626</u>	<u>158,857</u>	<u>164,483</u>	<u>185,461</u>
Net income / (expenditure) for year		1,046	6,583	7,629	(35,416)
Transfers		-	-	-	-
Net movement in funds		1,046	6,583	7,629	(35,416)
Reconciliation of funds:					
Funds brought forward		<u>14,578</u>	<u>2,811</u>	<u>17,389</u>	<u>52,805</u>
Funds carried forward	10	<u><u>15,624</u></u>	<u><u>9,394</u></u>	<u><u>25,018</u></u>	<u><u>17,389</u></u>

The above statement includes all gains and losses recognised during the year.

All activities are regarded as continuing.

Comparative figures for the previous year by fund type are shown in Note 14 on page 17.

The notes on pages 11 to 17 form part of these financial statements.

Scottish Fair Trade Forum

Balance Sheet at 31 March 2018

	Note	2018 £	2017 £
Fixed Assets			
Tangible assets	6	918	1,836
Investments	7	<u>5,000</u>	<u>5,000</u>
		5,918	6,836
Current Assets			
Debtors	8	3,378	235
Cash at bank and in hand		<u>20,586</u>	<u>14,391</u>
		23,964	14,626
Creditors:			
Amounts due within one year	9	<u>4,864</u>	<u>4,073</u>
Net Current Assets			
		<u>19,100</u>	<u>10,553</u>
Net Assets			
		<u>25,018</u>	<u>17,389</u>
Funds:			
Unrestricted funds:			
General fund	10	14,706	14,578
Designated fixed asset fund	10	<u>918</u>	-
Total unrestricted funds		15,624	14,578
Restricted funds	10	<u>9,394</u>	<u>2,811</u>
Total Funds		<u>25,018</u>	<u>17,389</u>

For the year ended 31 March 2018 the company was entitled to exemption from an audit under sections 475 and 477 of the Companies Act 2006 ("the Act") relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

L Harris
Director

Date:

The notes on pages 11 to 17 form part of these financial statements.

Scottish Fair Trade Forum

Notes to the Financial Statements for the Year Ended 31 March 2018

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared on the historical cost basis and in accordance with the requirements of:

- the Companies Act 2006
- 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 (FRS102) issued on 16 July 2014 (Charities SORP (FRS102)); and
- the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The charity constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income received by way of grants and donations is included in full in the Statement of Financial Activities when receivable. Where entitlement is conditional on the delivery of a specific performance by the charity, grants are recognised when the charity earns the right to consideration by its performance. Where a grant or donation is given for a specific purpose, it is included in restricted income and any unexpended portion is carried forward as a restricted fund.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. The charity has opted not to report on the activity basis. Expenditure is instead reported by cost type. The headings used have been amended to reflect the 2017-18 strategic plan and funding framework, and the prior year figures have been classified according to these headings.

Other Basic Financial Instruments

The charity only has financial assets and 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.

Taxation

The company is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. No charge to corporation tax arose during the year. The charity is not registered for VAT and accordingly any irrecoverable VAT incurred is included within the item of expenses to which it relates.

Pensions

The charity makes pension contributions to defined contribution pension schemes on behalf of its employees. Contributions are charged to expenditure as they become payable.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

Scottish Fair Trade Forum

Notes to the Accounts (continued)

1. Accounting Policies (continued)

Funds

Unrestricted funds can be used in accordance with any of the charitable objects at the discretion of the Directors.

Designated funds are set aside by the Directors out of unrestricted funds for specific future purposes or projects. There is also a designated fixed asset fund corresponding to the book value of tangible fixed assets.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

2. Income	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Grants:				
Scottish Government: Core grant	-	158,240	158,240	141,350
Challenges Worldwide <i>for Rwanda project</i>	-	6,700	6,700	-
Gordon Fraser Charitable Trust	-	500	500	-
Santander	-	-	-	3,000
Total grants receivable	-	165,440	165,440	144,350

3. Expenditure	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	£	£
Charitable activities:				
Staff costs	-	99,443	99,443	100,602
Staff training	-	982	982	180
General campaign work	1,182	30,715	31,897	57,113
Other projects:				
Rwanda coffee project	-	870	870	-
Office premises	-	9,245	9,245	9,810
Office running costs	1,684	8,205	9,889	9,159
Compliance and governance costs	1,842	9,397	11,239	7,679
Depreciation	918	-	918	918
Total	5,626	158,857	164,483	185,461

Scottish Fair Trade Forum

Notes to the Accounts (continued)

3. Expenditure (continued)

Expenditure includes:

	2018	2017
	£	£
Governance costs:		
Independent examiner's remuneration for independent examination	750	250
for accountancy and other services	-	650
Board meetings, AGM and trustee expenses	<u>768</u>	<u>39</u>
	<u>1,518</u>	<u>939</u>
Employer's pension contributions	<u>3,397</u>	<u>3,392</u>
Operating lease payments	<u>9,245</u>	<u>9,810</u>

4. Staff costs and transactions with trustees

	£	£
Wages & salaries net of SMP recovered	89,927	91,655
Social security costs	5,819	5,555
Pensions costs	3,397	3,392
Recruitment costs	<u>300</u>	<u>-</u>
Total staff costs	<u><u>99,443</u></u>	<u><u>100,602</u></u>

The average number of staff employed on a headcount basis was 4 (2017: 3).

The total amount of employee benefits, including employer pension contributions, paid in respect of key management personnel was £38,224 (2017: £37,882). No employee had emoluments of more than £60,000.

Volunteers assisted staff with campaign and communication work.

Transactions with Trustees and Related Parties

No remuneration was paid to any trustees in the current or previous year. Travel expenses totalling £368 were reimbursed to six trustees (2017: £39 to three trustees).

5. Grants and donations made

During the year, grants were paid to institutions in furtherance of the charity's objectives as noted below:

	2018		2017	
	No. of recipients	£	No. of recipients	£
Local group support	16	3,342	25	3,430
Innovation and sustainability grants	0	-	6	8,000
Other donations made	<u>1</u>	<u>13</u>	<u>1</u>	<u>24</u>
Total	<u>17</u>	<u><u>3,355</u></u>	<u>32</u>	<u><u>11,454</u></u>

The majority of grant recipients were local Fair Trade groups, other community groups or schools. The maximum amount of grants awarded to any one recipient during the year was £300.

Scottish Fair Trade Forum

Notes to the Accounts (continued)

6. Tangible Fixed Assets

	Office equipment
Cost:	£
At 1 April 2017	7,511
Additions	-
At 31 March 2018	<u>7,511</u>
Depreciation:	
At 1 April 2017	5,675
Charge for period	918
At 31 March 2018	<u>6,593</u>
Net Book Value:	
At 31 March 2018	<u>918</u>
At 31 March 2017	<u>1,836</u>

7. Investments

	Social investments	Total
	£	£
Carrying (fair) value at 1 April 2017 and 31 March 2018	<u>5,000</u>	<u>5,000</u>

A programme related investment of £5,000 was made with Shared Interest Society, a mutual society that lends money to fair trade businesses all round the world to achieve positive social impact. Interest earned of £13 was donated to the Shared Interest Foundation and the value of this investment at the year end remained the same.

8. Debtors

	2018	2017
	£	£
Prepayments	3,378	-
Other debtors	-	235
	<u>3,378</u>	<u>235</u>

9. Creditors

<i>Amounts falling due within one year:</i>	£	£
Accruals & other creditors	<u>4,864</u>	<u>4,073</u>

Operating lease commitment

The charity has entered into a lease for office space which now runs on a month-to-month basis. The rental payable is £770 per month (2017: £756 per month).

Scottish Fair Trade Forum

Notes to the Accounts (continued)

10. Movement on Funds

		At 01/04/17	Income	Expenditure	Transfers	At 31/03/18
	Note	£	£	£	£	£
Restricted funds:						
Nurseries project	(a)	2,611	-	(2,611)	-	-
Donations	(b)	200	-	(200)	-	-
Scottish Government	(c)	-	158,240	(155,176)	-	3,064
Challenges Worldwide	(d)	-	6,700	(870)	-	5,830
Gordon Fraser	(e)	-	500	-	-	500
Total restricted funds		<u>2,811</u>	<u>165,440</u>	<u>(158,857)</u>	<u>-</u>	<u>9,394</u>
Unrestricted funds:						
Fixed asset fund	(f)	-	-	(918)	1,836	918
General fund		14,578	6,672	(4,708)	(1,836)	14,706
Total unrestricted funds		<u>14,578</u>	<u>6,672</u>	<u>(5,626)</u>	<u>-</u>	<u>15,624</u>
Total funds		<u>17,389</u>	<u>172,112</u>	<u>(164,483)</u>	<u>-</u>	<u>25,018</u>

Notes on funds:

- (a) Fair Trade Nurseries is a project engaging with children in nursery education and developing resources for 3-5 year olds. The project was previously supported by grants from the Big Lottery Fund Awards for All, Scotmid, SQA and Foundation Scotland and by donations received in previous years. The fund has been fully spent during the year.
- (b) Small donations and sponsorship received in the previous year towards the costs of producer tours and other events. The fund was fully spent during the year.
- (c) The core Scottish Government grant is to support the Forum delivering its work in leading and co-ordinating activity to maintain and develop Scotland's Fair Trade Nation status. The balance on the fund is carried forward to be spent in the subsequent financial year with the agreement of the funder.
- (d) The Challenges Worldwide fund represents the charity's element of a Scottish Government grant to support coffee growers in Rwanda, for which Challenges Worldwide is the lead partner. The grant period runs for 5 years from April 2017. The balance carried forward will be spent in the subsequent financial year.
- (e) The Gordon Fraser Charitable Trust has awarded a grant to support work to promote Fairtrade amongst young people as part of the Year of Young People. The grant will be spent in the subsequent financial year.
- (f) Designated fixed asset fund: This corresponds to the net book value of fixed assets. The net book value at the start of the year has been transferred in to the fund. Annual depreciation is charged to this fund and the cost of any fixed assets purchased is transferred into the fund.

Scottish Fair Trade Forum

Notes to the Accounts (continued)

11. Movement on Funds - Prior Year

		At 01/04/16	Income	Expenditure	Transfers	At 31/03/17
		£	£	£	£	£
Restricted funds:						
Nurseries project		8,769	-	(6,158)	-	2,611
Donations		-	672	(472)	-	200
Scottish Government		-	141,350	(141,891)	541	-
Santander	(a)	-	3,000	(3,000)	-	-
Total restricted funds		<u>8,769</u>	<u>145,022</u>	<u>(151,521)</u>	<u>541</u>	<u>2,811</u>
Unrestricted funds:						
Souter Charitable Trust	(b)	5,081	-	(5,081)	-	-
General fund		38,955	5,023	(28,859)	(541)	14,578
Total unrestricted funds		<u>44,036</u>	<u>5,023</u>	<u>(33,940)</u>	<u>(541)</u>	<u>14,578</u>
Total funds		<u><u>52,805</u></u>	<u><u>150,045</u></u>	<u><u>(185,461)</u></u>	<u><u>-</u></u>	<u><u>17,389</u></u>

Notes on funds (prior year):

(a) The Forum received funding from the University of Aberdeen's Santander Internship Scheme to recruit two student or graduate interns for three months to support the ongoing work to improve and develop external communications.

(b) This grant for core work was received in the previous financial year and spent in full during 2016-17.

12. Analysis of Net Assets Between Funds

	Restricted Funds	Fixed Asset Fund	General Fund	Total Funds
	£	£	£	£
Fixed assets	-	918	-	918
Investments	-	-	5,000	5,000
Debtors	3,238	-	140	3,378
Cash at bank and in hand	11,020	-	9,566	20,586
Creditors	(4,864)	-	-	(4,864)
Net assets at 31 March 2018	<u>9,394</u>	<u>918</u>	<u>14,706</u>	<u>25,018</u>

Scottish Fair Trade Forum

Notes to the Accounts (continued)

13. Analysis of Net Assets Between Funds - Prior Year

	Restricted Funds	Fixed Asset Fund	General Fund	Total Funds
	£	£	£	£
Fixed assets	-	-	1,836	1,836
Investments	-	-	5,000	5,000
Debtors	-	-	235	235
Cash at bank and in hand	5,193	-	9,198	14,391
Creditors	(2,382)	-	(1,691)	(4,073)
Net assets at 31 March 2017	2,811	-	14,578	17,389

14. Statement of Financial Activities - Prior Year

	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
Income from:			
<i>Donations and legacies:</i>			
Grants	-	144,350	144,350
Membership fees and donations	4,626	672	5,298
<i>Charitable activities:</i>			
Event and sales income	355	-	355
<i>Investments:</i>			
Interest earned	42	-	42
Total	5,023	145,022	150,045
Expenditure on:			
<i>Charitable activities</i>	33,940	151,521	185,461
Total	33,940	151,521	185,461
Net income / (expenditure)	(28,917)	(6,499)	(35,416)
Transfers	(541)	541	-
Net movement in funds	(29,458)	(5,958)	(35,416)
Reconciliation of funds:			
Funds brought forward	44,036	8,769	52,805
Funds carried forward	14,578	2,811	17,389