

# FRIENDS OF THE EARTH CHARITABLE TRUST

England & Wales · Charity number 281681

## Details

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Other names	FRIENDS OF THE EARTH TRUST, FRIENDS OF THE EARTH TRUST LIMITED
Status	Registered
Legal form	Charitable company
Company number	<a href="#">01533942</a>
Registered	1981-01-06
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Website	<a href="http://www.friendsoftheearth.uk">www.friendsoftheearth.uk</a>

## Activities

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**Objects:** A. THE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT AND, IN PARTICULAR, THE ADVANCEMENT OF EDUCATION IN ECOLOGY, NATURAL HISTORY, RESOURCE CONSERVATION, SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL STUDIES; B. THE CONSERVATION, PROTECTION AND SUSTAINABLE USE FOR THE PUBLIC BENEFIT OF THE EARTH'S NATURAL ENVIRONMENT INCLUDING BIO-DIVERSITY, ATMOSPHERE, WATER, LAND AND NATURAL RESOURCES; C. THE PROMOTION OF SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC BY: (I) THE PRESERVATION, CONSERVATION, AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF NATURAL RESOURCES; (II) CONDUCTING OR COMMISSIONING RESEARCH AND PUBLISHING THE RESULTS OF SUCH RESEARCH. 'SUSTAINABLE DEVELOPMENT' MEANS IMPROVING THE QUALITY OF LIFE WHILE LIVING WITHIN THE CARRYING CAPACITY OF SUPPORTING ECOSYSTEMS AND THE NATURAL ENVIRONMENT. 2.2 NOTHING IN THE ARTICLES SHALL AUTHORISE AN APPLICATION OF THE PROPERTY OF THE CHARITY FOR PURPOSES WHICH ARE NOT CHARITABLE IN ACCORDANCE WITH SECTION 2 OF THE CHARITIES ACT (NORTHERN IRELAND) 2008

**Activities:** Friends of the Earth Charitable Trust is committed to the conservation, protection and improvement of the environment. It promotes sustainable development for the public benefit by funding work that includes campaigning, research, education and publishing, and the provision of information on environmental problems and their solutions.

## Classification

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- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Environment/conservation/heritage, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

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- **Area of benefit:** NATIONAL AND OVERSEAS
- Northern Ireland
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-06-30	£15,332,701	£14,766,383	£4,650,238	176
2024-06-30	£14,950,721	£13,817,159	£4,083,920	201
2023-06-30	£12,766,793	£13,492,219	£2,950,358	211
2022-06-30	£13,450,848	£13,431,783	£3,675,784	190
2021-06-30	£15,958,076	£14,494,449	£3,656,719	173
2020-06-30	£10,124,959	£9,758,050	£2,193,093	169

## Trustees

Name	Role	Appointed
<b>Sian Ferguson</b>	Chair	2023-06-01
Dr ASHOK SINHA		2025-07-25
Gareth Paul Jenkins		2025-07-25

**FRIENDS OF THE EARTH CHARITABLE TRUST**

England & Wales - Charity number 281681

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# Accounts

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**Friends of the Earth Charitable Trust  
Report and Accounts  
for the year ended 30 June 2025**

## Contents

<b>Reference and administrative details</b>	<b>3</b>
<b>About Friends of the Earth</b>	<b>4</b>
<b>Executive Director and Chair's statement</b>	<b>5</b>
<b>Trustees' and Strategic Report</b>	<b>7</b>
- Our object and activities	7
- Our achievements in 2024-25	9
- Our plans for 2025-26	12
- Fundraising review	13
- Financial review	14
- Our people	16
- Governance, structure and risks	20
<b>Independent Auditor's Report</b>	<b>24</b>
<b>Statement of Financial Activities</b>	<b>28</b>
<b>Balance Sheet</b>	<b>29</b>
<b>Statement of Cash Flows</b>	<b>30</b>
<b>Notes to the Accounts</b>	<b>31</b>

## Reference and administrative details

Friends of the Earth Charitable Trust is a company limited by guarantee (registered 10 December 1980), not having a share capital, and is also a registered charity (registered 6 January 1981) governed by its memorandum and articles of association.

**Company number:** 01533942  
**Charity number:** 281681  
**Registered office:** The Printworks  
1st Floor, 139 Clapham Road  
London, SW9 0HP  
**Country of incorporation:** England and Wales

## Our people

### Trustees

The Trustees, who are also directors of the charity under company law, who held office during the period were:

Beverley Downes (resigned 5 August 2025)  
Nicholas Eldred (resigned 5 August 2025)  
Sian Ferguson (Chair)  
Paul Infield (25 July 2025 until 21 August 2025)  
Gareth Jenkins (appointed 25 July 2025)  
Melanie Oley (resigned 5 August 2025)  
Ashok Sinha (appointed 25 July 2025)

**Executive Director:** H Knowles and M Turner (resigned 5 July 2024)  
J Peters (30 July 2024 until 30 September 2025)  
A Rehman (appointed 4 August 2025)

**Company Secretary:** J Parfitt (resigned 15 August 2024)  
M Waller (3 October 2024 until 9 December 2024)  
R Patel (9 December 2024 until 30 September 2025)  
F Silverio (appointed 6 October 2025)

The day-to-day management is delegated to the Executive Director, the Senior Leadership Team (made up of employees selected for their expertise in the various activities of the organisation) and the Trust's other staff.

### Principal advisers

Auditors:  
Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

Bankers:  
Co-operative Bank  
Manchester Business Centre  
1 Balloon Street  
Manchester  
M60 4EP

## About Friends of the Earth

The natural world has experienced unprecedented disruption in recent years. And it is people as well as the environment that suffer as a result.

For over 50 years, Friends of the Earth has been dedicated to the protection of the natural world and the wellbeing of everyone in it. Our international community brings together more than two million people in 73 countries, combining people power all over the world to make an even greater difference and transforming local actions into global impact.

We fund campaigns, provide resources and information and promote alternative solutions to create a cleaner, healthier and fairer world for everyone, for today and for generations to come.

In the UK, Friends of the Earth has been responsible for making recycling not just a household word, but a household habit. We successfully campaigned for the world's first climate change law, the Climate Change Act 2008, which paved the way for similar legislation around the world. Our combined strength has meant we have been able to push back against drilling for fossil fuels and ensure legal protection from pesticides for bees, we continue the fight against climate change.

Working together with local groups, experts, business leaders and politicians we push for change around the issues and causes that matter to you – protecting your home and local environment, promoting safe and healthy food and water across the globe and supporting alternative energy solutions that can change the world for the better. Whether you are a first-time supporter or a seasoned campaigner, we're with you every step of the way, supporting communities, defending human rights, protecting nature, moving mountains.

Together with us your voice is louder, your actions more significant and your impact greater. Together with you, we are determined to change the world for good.

## Chair and Executive Director's statement

To all who support and walk with us—thank you.

Your donations, your time, your belief in a thriving planet—these make our work possible. We hold deep gratitude for your commitment, especially in times of so much overwhelm and uncertainty.

We want to share something with you. Not a campaign. Not a call to action. Just an expression of where we are, as Friends of the Earth, and what it means for us to walk that path in these times.

The Earth is aching; it needs our friendship more than ever before.

Ecological collapse, displacement, conflict, climate extremes—it is no longer possible to pretend these are separate issues. The people most affected by climate breakdown are often those who've done the least to cause it. And many are now under siege—from floodwaters, from food insecurity, from political violence, from grief.

This includes people here in the UK.

Especially young people, many of whom carry a painful clarity that the systems they've inherited are out of alignment with life.

We want to be clear—we do not speak from moral superiority. We are not immune to contradiction. We live in this tangled world too. And yet, we feel a responsibility to speak with coherence.

To be a Friend of the Earth means more than protecting nature in the abstract. It means honouring all life. It means recognising that the Earth's body includes every being—trees, oceans, and people.

That is why we stand in solidarity with those defending life around the world—from Indigenous land defenders in the Amazon to Friends of the Earth colleagues in Gaza who have faced unbearable violence.

When the land is bombed, when water is stolen, when air is polluted, when people are displaced or silenced for defending life—we must speak. Not out of politics, but out of fidelity to the Earth.

We continue our work to protect this fragile, astonishing planet. And we do so knowing that ecological healing must include justice, humility, and deep listening. And we are grateful to be walking this path with you.

With love and resolve,



**Sian Ferguson**  
Chair and Trustee



**Asad Rehman**  
Executive Director

## Trustees' and Strategic report

The Trustees are pleased to present their Trustees' and Strategic report, together with the financial statements, for the year ended 30 June 2025. The financial statements comply with current statutory requirements, the memorandum and Articles of Association and the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities (FRS 102).

### Our objects and activities

#### Our purposes and aims

Friends of the Earth Charitable Trust is dedicated to achieving the following charitable objectives:

- The conservation, protection and sustainable use for the public benefit of the Earth's natural environment, including biodiversity, atmosphere, water, land and natural resources
- The advancement of education for the public benefit and, in particular, the advancement of education in ecology, natural history, resource conservation, sustainable development and environment studies
- The promotion of sustainable development for the benefit of the public by
  - (i) the preservation, conservation and the protection of the environment and the prudent use of natural resources; and
  - (ii) conducting or commissioning research and publishing the results of such research

'Sustainable development' means improving the quality of life while living within the carrying capacity of supporting ecosystems and the natural environment.

We aim to achieve these objects by funding work that falls within our charitable purposes. This report sets out how these objects were achieved in the year ending 30 June 2025.

In conducting its objects for the public benefit, Friends of the Earth Charitable Trust continues its long-term association with other Friends of the Earth environmental groups, both locally and internationally, in order to increase the effectiveness of its charitable work for the public benefit. This association is acknowledged within the Articles of Association that govern the charitable company.

### **Our grant making policy**

All work funded by the Trust must fall within the charitable objects stated above and must comply with all legal and regulatory requirements for UK registered charities. Trustees regularly review the most effective ways to further the charity's objects for the public benefit. Trustees agree the primary funding areas for each year and retain complete discretion to approve or reject any grant application. The Trustees aim to diversify the range of grantees to which it provides grant funding in future years.

The Trust has grant monitoring procedures in place to ensure that all charitable funds are spent solely on charitable activities to further the charitable objects in accordance with the conditions attached to the grant in the written grant agreement.

### **Public Benefit Statement**

The Trustees recognise that the work of the charity seeks to provide long-term public benefit that will support communities, including the wider international community.

Our work to date has benefited the public by commissioning research, raising awareness, and campaigning on issues of major public concern including climate change, environmental protection, biodiversity and sustainable development. The Trust welcomes people from all sections of society as supporters and its campaigning and awareness raising on environmental matters is directed to all in society. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

## **Our achievements in 2024-25**

This year Friends of the Earth Charitable Trust was proud to fund a wide variety of activities that aimed to tackle the climate and ecological crises in a fair and just way. Without the support of our donors, funders and financial supporters, the activities and achievements we funded this year would not have been possible.

In the year, the charity made grant payments of £10.61m, including £10.38m to Friends of the Earth Limited for the costs of charitable activities as described below.

Additionally, the charity provided full or partial grant funding across its small and micro grants programmes, to projects and initiatives which further its aims. Details of those grant programmes are set out below.

We set an annual fundraising budget, and regularly assess and monitor the progress of our grantees to ensure that our charitable objects are being achieved in line with the terms of the grants awarded.

### **Friends of the Earth Limited**

Our largest grantee, Friends of the Earth Limited, sets clear objectives and key results as part of its annual business planning process. Its 2024-25 objectives were:

- To design, run, and win environmental justice campaigns through strong new partnerships
- To build power by bringing together and connecting citizens and communities, driving collective action that delivers environmental justice
- To develop a powerful new narrative around how people power and collective impact delivers environmental justice is inspiring many more people to hope and action
- To ensure that Friends of the Earth is a fantastic place to work, where our culture, systems and ways of working enable all of us to make our best contribution

Some of Friends of the Earth Limited's key achievements are listed below. Further detail can be found in Friends of the Earth Limited's annual report and accounts.

- Winning a legal case against the previous government's climate plan seeking more credible and meaningful objectives, and ensuring plans deliver not just a greener future, but a fairer one too
- The Big Climate Plan Day of Action with The Climate Coalition, which saw Local Action Groups meeting with their MPs to call for a bold and fair plans to tackle the climate and energy crises
- Launching of The Fairness Test: a mandate for bold climate policy, a report which recommends what fairness in the climate plan means for key policy areas; and building public support for a fair climate plan, working with celebrities like Chris Packham, Crystal from Drag Race UK, and Dylan from Bake Off
- Launching the Planet Over Profit campaign, which called for new UK legislation that holds UK companies and the public sector legally accountable if they fail to prevent human rights abuses or environmental harm in the UK or overseas

- Hosting a visit from Friends of the Earth Indonesia (WALHI) to protest a goldmine expanding in North Sumatra. The mine threatens the critically endangered Tapanuli Orangutan. The petition protesting the gold mine was signed by over 200,000 people across the world
- Supporting over 200 Local Action Groups to campaign in their local areas, with an offer of support, training, and resources.

## **Small and Micro Grant Programmes**

The Trust also supports Friends of the Earth's Local Action Groups through the provision of small grants to support their campaigning efforts, building strength across the wider network.

### **Local Action Group Fund**

The Local Action Group Fund is open to all registered Friends of the Earth groups and networks. It provides financial support that can make a real difference, either by building and developing groups or by achieving a demonstrable positive impact on nature, the climate and/or environmental justice. In 2024-25 we awarded 25 small grants under the Local Action Group Fund. These have proved very effective in supporting localised campaigning. For example:

- York Friends of the Earth applied for a grant of £477, to run a 'Question Time' style event during the York Environmental Festival. The panel members were city councillors with specific responsibility for various aspects of the environment, and the audience were residents that were able to ask them questions.
- Greening Steyning received a grant of £500 and supported the Southeast Climate Alliance (SECA) in organising and running their annual gathering. There were over 120 participants who had attended the event which was themed as "2030: A Call to Action". The event looked at what needed to be done to hit climate targets, and while there has been much cause for concern regarding climate change in recent news headlines the day was filled with positivity that things can still change for the better.
- The Campaign Against Gatwick Noise Emissions (CAGNE) local group applied for £500 of funding to help conduct five public events to raise awareness of the environmental problems a new Gatwick runway will cause both locally and globally.

### **Partnership Fund**

The Partnership Fund is open to all registered Friends of the Earth Local Action Groups. It is intended to provide financial support to groups that demonstrate that an activity contributes to supporting and amplifying the voices of communities and groups often left out in the environment and climate movements. Applications are submitted for a total of £500 per financial year.

Grants are awarded for projects supporting the development of partnership work or participation with groups. This could include paying for consulting with a marginalised group for marketing and campaigns, supporting a solidarity event financially, or supporting the planning and hosting of an event or action. In total in 2024-25 we issued 5 grants, to a total value of £2,500 (2024: £655).

The increase in microgrants reflects an increase of actions taken by groups. The types of actions or events can range from procurement and development of resources, training and strategy days for the group members and delivering on community campaigns relevant to Friend of the Earth as well as our national campaigns.

### **Youth Action Fund**

The Youth Action Fund exists to support grassroots level campaigning on climate change that is led and delivered by young people based in England, Wales and Northern Ireland. The Fund is open to: grassroots groups whose membership is age-restricted to those aged 25 and under; individuals who are aged 25 and under, and small campaigning organisations whose leadership is predominantly 25 and under and who work exclusively to support campaigning by that age group.

The fund is intended to provide financial support that can make a real difference, either by building and developing groups, providing an individual with an opportunity that they could not otherwise access, or by achieving a demonstrable positive impact on the climate.

### **Postcode Gardener Fund**

The Postcode Gardener Programme is run in partnership with The Co-operative Bank. The Trust makes grants to organisations across the country who employ professional Postcode Gardeners to green up streets in one postcode area and bring neighbours together. Daily contact with nature is linked to less stress, better mood and better health. Postcode Gardeners are experts at getting people outdoors, socialising and working together. They help grow plants for flowers, food and wildlife along streets, in front gardens and anywhere else people can enjoy them.

## **Our plans for 2025-26**

Friends of the Earth Charitable Trust's role is as a grant-making organisation, harnessing public and partner funding to support organisations with objectives that further our mission.

In June 2025 we approved a large grant application from Friends of the Earth Limited for charitable activities in 2025-26. Our funding will support this grantee to build partnerships that enable it to listen to the voices of those in communities currently suffering due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transformation. These partnerships will allow it to add what it hears to the considerable expertise it has in the organisation and wider network.

Our grant will enable Friends of the Earth Limited to build tools that will help people create the change they want to see, ensuring the organisation doesn't become a bottleneck as it aims to link local organising to national influencing in a growing network. It will also help our grantee tell a powerful story about Friends of the Earth's role and ensure that thousands more want to act and support us.

Our grant to Friends of the Earth Limited will contribute to:

- designing, building and winning environmental justice campaigns through strong new partnerships
- supporting hundreds of thousands of citizens to stand up for their rights and the environment
- inspiring a million more people to hope and action via a powerful new story about people power and collective impact
- supporting Friends of the Earth to be a fantastic place to work, where the culture, systems and ways of working enable all of us to make our best contribution.

Our funding will support environmental justice campaigns that aim to:

- have significant impact in stopping the UK's support for fossil fuel extraction
- stand up for communities who have suffered most from nature loss
- galvanise civil society against the shrinking of civil society space, opposing and halting repressive legislation
- continue the momentum for local climate action, building the movement and making real world impact at the local, regional and national level.

We will continue supporting local communities in tackling the climate and ecological emergencies through our small and micro grants programmes, which also diversifies our range of grantees. We will look to fund other activities that support our objectives as they arise throughout 2025-26.

## Fundraising Review

### Fundraising performance

In the year under review, our total fundraised income was £14,909k, a small increase on the £14,883k total raised last year.

Gifts and donations for the period totalled £8,111k, compared with £8,221k in the previous year. Given the adverse economic headwinds, donations have held up very well, which is a testament to the loyalty of our donors, funders and partners.

Legacy income totalled £3,477k (2023-24: £3,264k). The year on year increase in this income area demonstrates the strong long-term relationship supporters hold with us, and their desire to continue support for our mission in their name. We are extremely thankful to all our supporters.

We received £3,000k from People's Postcode Lottery (2023-24: £3,100k). The £100,000 decrease from the prior year was due to a one-off additional grant from People's Postcode Lottery to help their charity partners through the cost of living crisis.

The value of gifts in kind received in 2024-25 increased to £320k from 2023-24's £253k.

Our forecasts for 2025-26 are based on caution as we navigate a challenging external context. However, we expect the breadth of our supporter base to continue to provide financial resilience.

We will continue to reach and engage with new audiences motivated to tackle the climate and ecological crises via financial contributions. There remains high awareness of and concern for environmental issues, with a particular desire to ensure a fair and sustainable transition to a low carbon economy. Friends of the Earth Charitable Trust's grant giving will continue to further this vital and ever-relevant work, thanks to the ongoing generosity of our donors.

### Our Fundraising Promise

We generate funds through a range of techniques, including printed communications, telephone fundraising and a variety of digital fundraising activity. We continue to work with carefully selected third-party suppliers in relation to various aspects of our fundraising activity. We establish strategic partnerships with agencies or freelancers to enhance the quality and impact of our fundraising activity. Examples of this work include creative development of fundraising communications, printing and mailing services, response handling and donor stewardship. We work with professional fundraisers at telephone agencies in order to conduct high quality and engaging conversations with supporters about the impact of their support on our work, and the variety of ways in which they can consider supporting us further. All professional fundraisers working on our behalf undergo regular training on compliance and quality standards and are fully briefed on the work of the organisation.

We are registered with the Fundraising Regulator and continue to be a member of the Chartered Institute of Fundraising. We have had no non-compliance with the Fundraising Regulator in 2024-25. All third-party suppliers who are in contact with our supporters

have a vulnerable people policy in place and meet the same high-quality standards as our own. Partner agencies hold membership with the relevant membership body, such as the Chartered Institute of Fundraising or the Direct Marketing Association, which requires compliance with a broad range of regulations and best practice policies.

We continue to monitor and respond to developments in fundraising regulation and all other relevant regulation, including GDPR. We continue to adhere to the highest standards of practice in fundraising, data protection and communications.

We have a Supporter Promise and complaints procedure, which are clearly signposted for supporters to ensure they are aware of the high standards we hold in our supporter relations work, and how they can contact us with any questions or comments. In 2024-25 we received 9 direct complaints about fundraising activity or processes (2023-24: 20). All were resolved and no complaints were received through the Fundraising Regulator. We have a vulnerable persons policy, and our fundraising teams have completed safeguarding training and comply with our safeguarding policy throughout their work.

## **Financial review**

### **Overall financial performance**

In the year, our income was £15,333k, an increase of £382k from 2023-24. This was thanks to another strong year for legacies, as well as a higher volume of donated advertising and one-off increased trading income.

95% of our income comes from three main sources: supporters who donate to support our work gifted £8,111k, £3,477k was raised from legacies, and we received £3,000k from the Postcode Earth Trust, which receives all of its funding from the People's Postcode Lottery, strengthening our relationship with this important funder. We are incredibly grateful for the support of our donors and funders and the players of the People's Postcode Lottery.

Expenditure was £14,766k, a 7% increase on the previous year figure of £13,817k. Fundraising costs were £2,277k; this means for every £1 we spent in the year we raised £6.55 in donations to the organisation.

We are proud that we are able to contribute to the work of Friends of the Earth Limited and made a grant of £10,376k which enabled them to achieve the impacts as noted above. We also made grants to Friends of the Earth's grassroots network through our small and micro grant programmes of £13k (2023-24: £9k).

In the year we made a surplus of £566k, compared to £1,134k in 2023-24.

## Reserves

Within unrestricted funds the Trustees have designated the following (as set out in note 20 to the accounts):

- **Fixed asset reserve** (£1,484k) – this fund was created in 2023-24 given the increase in the level of fixed assets held over recent years, in particular the CRM project, and corresponds to the net book value of fixed assets held, less the net book value of fixed assets already covered by other designated or restricted funds
- **CRM software** (£386k) – this fund was established in 2021 to offset the depreciation of the software from launch and will be fully used by 2026-27
- **Investment property reserve** (£520k) – this fund was created in 2023-24 and represents the value of two tenanted properties bequeathed to FOECT. These funds represent a commitment as due to the wishes of the legator, the funds are not freely available until such time as the tenants leave.

The remainder of unrestricted funds (£2,040k) is considered to be free reserves. The current reserves policy is to hold between two and four months of expenditure as free reserves (excluding the grant made to Friends of the Earth Limited), meaning we need to keep £732k to £1,463k in reserves. Actual free reserves were in excess of this range at year-end, with a deficit planned for 2025-26 to bring us back within our target range. Trustees are content that this is an appropriate level of reserves for the charity to ensure future resilience.

Restricted funds of £220k relate to funds that can only be used for purposes as specified by the donor. These are detailed in note 19 to the accounts.

## Going Concern

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. Current forecasting demonstrates, that even on baseline scenarios which don't factor in growth and other plans in development, that free reserves will continue above the current reserves policy minimum level. The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern. There are no material uncertainties about the charity's ability to continue in operational existence.

## Investment policy

The charity has an ethical investment policy to ensure that its investments do not conflict with its aims. The primary objective of the policy is to ensure that the current value of reserves is, as a minimum, maintained. It is expected that the majority of investments will be in cash or near cash holdings.

The Trust's investments were reclassified from long-term to current assets in the previous year's financial statements, with the intention to sell them. The Trustees no longer intend to liquidate these investments, so they have been reclassified to long term assets again in the year.

Additionally, two investment properties arising from a legacy donation are held. The properties remain tenanted and generate rental income.

## **Our people**

### **Staff and volunteers**

Friends of the Earth employs around 180 staff, jointly employed by both Friends of the Earth Charitable Trust and Friends of the Earth Limited. We have offices in London, Belfast, Cardiff, Birmingham, Leeds, Manchester, Bristol and Brighton. Staff costs are detailed in Note 7 to the accounts. We're also indebted to the invaluable service of our volunteers who provide support to our work.

### **Ways of working**

We continue to work to progressive values, including embracing a four-day (30 hour) week and hybrid working. We have however continued to function as a five day per week organisation and to foster collaborative working, including some emphasis on in-person working together.

We have adopted a new Code of Conduct/Dignity at Work policy to embed positive behaviours in line with our values of equity, mutuality and inclusion. We also launched a NeuroInclusion Initiative to continue into 2025-26 with the objective of mainstreaming ways of working that embrace neurodivergence.

### **Remuneration**

We use a structured pay scale within the organisation, with all roles allocated a score and band following a job grading process prior to recruitment. Upon recruitment, staff generally start at the mid-point of the band, unless they're viewed to be developing into the role based on their currently assessed skills. We tracked or exceeded the Living Wage Foundation rates in 2024-25 and undertake periodic benchmarking exercises to help set our pay rates, though with a link to affordability and equity as well.

Annual increases are subject to approval by the Board and are negotiated with the Union, taking into account the cost of living and organisational affordability. As part of our commitment to fair pay, we aim to ensure the ratio of highest paid employee to lowest paid employee is maintained within acceptable parameters. The current ratio is 3.35:1 on our regular scales (4.15:1 when including our interns). Our remuneration arrangements, which include our key management personnel, remain broadly competitive within the sector to ensure we can attract and retain the people we need to deliver our strategy. Friends of the Earth does not award bonuses.

### **Change Programme and People Strategy**

Friends of the Earth commenced a change programme in June 2024 to achieve a more financially sustainable organisation, with a net reduction of 21 employees (18.75 full-time equivalent roles). The programme was implemented with ongoing consultation with the recognised trade union Unite, and headcount reductions were achieved by voluntary means rather than any compulsory measures.

Subsequent to the completion of the voluntary redundancies in December 2024, we have continued to adopt a very restricted recruitment process as the organisation continues to pursue effective financial sustainability.

With the arrival of the new Chief Executive in August of 2025, we plan to adopt a People Strategy to align our staffing, skills and costs with a refreshed and reoriented Organisational Strategy.

## **Gender and ethnicity pay gaps**

In line with our strong commitment to workplace equality, diversity and inclusion, we produce and publish both our gender and ethnicity pay gaps, which we voluntarily disclose.

### **Gender**

There has been an increase in our median hourly rate pay gap among full-time staff to 3.13% in favour of male colleagues (2024: 2.59%). This means that men at a median grade are paid on average 3.13% more than female colleagues. For part time staff, we have seen a decrease from 7.68% in favour of female colleagues in 2024 to 4.03% this year.

Overall, the hourly rate pay gap continues to remain in favour of males, and has increased from 0.67% in 2024 to 1.86% now.

Using the mean (average) hourly rate for comparison, the pay gap for all staff reduced to 1.86% in favour of males (2024: 3.63%). For actual pay received, the gap in favour of males was slightly higher but continued to decrease from 3.64% last year to 2.47% now. For external comparison, ONS statistics reported the average gender pay gap in 2024 at 7.0% in favour of males.

### **Ethnicity**

Our median hourly rate ethnicity pay gap is continuing to improve and is now 1% in favour of staff who identify as non-white (2024: 0.13% in favour of staff identifying as non-white). For full time staff, the pay gap has improved from 3.04% in favour of white staff last year to 1% in favour of non-white staff now. For part-time colleagues the gap has increased slightly from 4.74% in favour of white staff last year to 5% now.

By comparison, using the mean hourly rate as the comparator, the overall ethnicity pay gap at FOE has increased quite significantly to 23% in favour of white staff (2024: 9.62%).

In terms of actual pay received, the mean ethnicity pay gap decreased from 8.88% to 5% in favour of white staff.

As ethnicity pay gap reporting is still voluntary (though national regulations are pending), external comparisons are more challenging. Available statistics show significant differences between different charities and sectors. In 2023, analysis of available reporting found that of those charities reporting ethnicity pay gaps, the mean ethnicity gap was 5%, in favour of white people (2022: 5.9%). The median ethnicity pay gap had also reduced to 15.3% in favour of white people from 23.3% in 2022.

We are continuing to work to improve diversity of recruitment as well as looking to support development of staff; we again partnered with the Aziz Foundation and recruited an intern drawn from a Muslim background who commenced employment in March 2024 for a 12-month period.

Our salary structure is due for review currently as part of a wider review of rewards and recognition. However, due to the change programme referenced above, this project has been delayed until 2026. This review should assist with our continued work to decrease and stabilise both gender and ethnicity pay gaps.

### Salary quartiles 2024-25

Set out below our Friends of the Earth's 'pay quartiles', created by organising employees into a list from the lowest paid to the highest paid, then dividing the list into four equal sized groups, or quartiles.

Quartile	Female	Male	White	Non-White
Lower Quartile	65.11%	34.89%	79%	21%
Lower Middle Quartile	65.85%	34.15%	84%	16%
Upper Middle Quartile	68.89%	31.11%	77%	23%
Upper Quartile	66.67%	33.33%	86%	14%

### Equality, diversity & inclusion

Friends of the Earth's commitment to Equity, Diversity, Inclusion (EDI) and Anti-Oppression remains steadfast. 2024-25 saw us growing our work on EDI by focussing on creating a more inclusive work culture for our staff, focussing on the skills and knowledge needed to empower activists and group members, whilst expanding our reach with partners and supporters on issues related to environmental justice. In this timeframe, the EDI Action Plan was reviewed and updated to cover the period of 2025-2028.

For the third year running, we submitted data on racial and ethnic diversity to the Racial Action for the Climate Emergency (RACE) Report, founded by Hindu Climate Action, Nature Youth Connection and Education, South Asians for Sustainability and SOS-UK. Acting as a sector-wide benchmark on diversity, Friends of the Earth is one of 142 submitting organisations, and one of 58 organisations to have submitted repeatedly. We continue to outperform the sector on almost all metrics and have put in place multiple examples of 'best practice'.

Despite the difficulty of the change programme for all, EDI was highly considered, ensuring our processes remained legally compliant and did not inadvertently discriminate against any protected group. This was achieved through research conducted by our EDI Specialist on the impacts of redundancy processes on historically marginalised groups, focus groups with all EDI Staff Networks, evaluating actions taken to mitigate discrimination in thirteen public-sector Equality Impact Assessments, and conducting our own internal EIA. All of this amounted to going beyond our legal responsibilities, ensuring that staff of different backgrounds and life experiences could be supported through a difficult time.

Internally, we have recently launched our NeuroInclusion Initiative, which aims to create a more inclusive workplace for neurodivergent people, and acting as an important tenet of the upcoming People Strategy. Working with the Union and staff Management Committee, this key cross-organisational project is looking not just at our culture, but also ways-of-working, manager support and workplace adjustments. This builds on the success of last year's Disability Policy, and demonstrates our expanded understanding of inclusion by addressing additional forms of oppression, alongside our continued commitment to anti-racism. Our EDI Staff Networks have continued to be an important part of our organisational structure, building internal community, organising events for staff and activists, informing our EDI work, and supporting the Board during the recruitment process for a new CEO.

2024-25 has also seen the expansion of our externally-facing and community building work. We have celebrated key moments of cultural importance, such as organising a Community Iftaar to engage Muslim community partners and MPs, and also participating in Refugee Week alongside local groups. Finally, we have developed an 'EDI Campaigns Checklist' to align with work on the new Campaign Impact Framework, ensuring that EDI is considered across campaign planning, delivery and evaluation.

Though this report outlines some of the highlights, it is important to recognise that 'EDI' at Friends of the Earth spans across the whole organisation, being embedded in the work of all teams from Campaigns to Technology & Infrastructure. It is a testament to our collective working that, though there will always be more progress to be made, EDI is a collectively held responsibility. This is demonstrated through our recent Pulse Survey results where the overwhelming majority of respondents indicated that "EDI is a priority at Friends of the Earth".

## Governance

### Structure, governance and management

Friends of the Earth comprises two separate legal entities operating under a regulated dual structure arrangement. Friends of the Earth Charitable Trust operates in England, Wales and Northern Ireland as a fundraising and grant-making charity. It is regulated by the Charity Commission and is registered with Companies House. During the year, it granted funds for charitable activities to Friends of the Earth Limited, a not-for-profit company with independent directors which undertakes campaigning and activism activity. The two entities share staff, certain resources and a brand, allowing both organisations to achieve their objectives in a cost-effective manner. During 2025 both entities commenced a joint review of this structure with independent legal and tax advisors to ensure it is fit for our future strategic plans. This project is ongoing and any amendments to the structure are to be considered during 2025-26.

The charity is governed by a board of Trustees who meet to determine the strategic direction of the charity. Trustee decisions are made by majority vote at quorate meetings or unanimous decisions without a meeting. The day-to-day implementation of the strategy and running of the charity is delegated to the Executive Director via a delegated authority framework.

Trustees serve a three-year term that can be renewed twice, so that a maximum of nine years can be served. Trustees typically serve two three-year terms and are the company directors and members alongside being Trustees. Trustee recruitment is guided by the overall composition and skills mix of the Board; vacancies are advertised, and a recruitment pack sent to all prospective candidates.

All new Trustees receive a comprehensive induction and an induction pack containing all key governance documentation for the charity as well as copies of Charity Commission guidance including (not exclusively) CC3 “The Essential Trustee”, CC20 on charitable fundraising, the Charity Commission’s trustee welcome pack, guidance on public benefit, guidance on charities connected with non-charities and CC9 guidance on charities and campaigning. Trustees are also provided with an introduction to the Charity Governance Code. Further training is offered as appropriate on an ongoing basis. During the period, all Trustees received updates on relevant legal and regulatory issues. Trustees are covered by Trustee indemnity insurance under a continuing cover policy.

The Board of Trustees normally meets four times a year and has as its principal roles determining mission, policy and strategy and monitoring its own and grantee performance.

## Risk management

The Executive Director and Trustees, working closely with their respective teams, have identified the risks to which the organisation may be exposed and ranked these by significance and likelihood. Material risks, together with current mitigation actions, are reviewed each quarter by Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties facing the charity moving forward are as follows:

Area	Mitigation
Continued challenging economic and financial context affects income generation streams and increases our cost base	<ul style="list-style-type: none"> <li>• Continual monitoring of the reach and results of our fundraising campaigns.</li> <li>• Implementation of the recommendations from our external review of income generation.</li> </ul>
Ongoing transition into new leadership may give rise to operational and strategic gaps, and a heightened risk environment	<ul style="list-style-type: none"> <li>• Empowering and rewarding senior managers to take on additional duties where posts remain vacant</li> <li>• Clear timeline for the transition to be implemented</li> <li>• Launch of a strategy refresh now permanent CEO has been appointed</li> <li>• Ongoing review to future-proof our corporate structure</li> </ul>

## **Our policies**

### **Internal controls**

The Board recognises its responsibility for ensuring we have a robust system of internal controls in place, as appropriate to the charity. We have policies in place for Risk Management, Anti-Fraud, Internal Controls, and Whistleblowing. We regularly review financial controls and protocols for managing fraud. Our Board meets with our external auditor without management present at least annually. A regular programme of health and safety reviews across our offices provides internal assurance on compliance with our statutory obligations. As we move forwards with implementing our new CRM system we will further develop our suite of internal KPIs.

### **Safeguarding**

Friends of the Earth recognises its responsibility to ensure we protect adults and children we work with from harm. All staff and Trustees are bound by the Friends of the Earth Safeguarding Policy, which is regularly reviewed. We have robust procedures in place to safeguard and protect both children and adults who come into contact with Friends of the Earth, including risk assessment and incident reporting procedures.

A staff Safeguarding Committee meets quarterly to share learning and best practice, and a network of designated safeguarding leads (DSLs) is in place across the organisation to respond to any queries or concerns. Both Trustees and the Senior Leadership Team have a designated member for safeguarding. All staff and Trustees are required to complete mandatory training on safeguarding adults and young people.

### **Environmental**

Friends of the Earth is committed to practising what we preach. Alongside our Cycle to Work scheme, our Climate Perks policy provides staff with up to two days of paid annual leave per year if they opt for more carbon friendly travel options when on holiday. Other environmental policies include our Travel Policy, which encourages active travel and prohibits short haul flights unless the carbon emissions are demonstrably lower than other modes of transport, and our policy that our offices use 100% renewable energy.

We have an Environmental Working Group made up of colleagues from across business functions, looking at best practice, metrics and new initiatives. We have reduced printing across our office operations and use only recycled and recyclable paper products. In our marketing, we operate specific policies around the sourcing of materials and our choice of supply chains. We source environmentally friendly cleaning products and use materials that are as sustainable as possible in any office refurbishments, and only use licensed and appropriate organisations to dispose of waste. With the change to hybrid working comes a shift in environmental impact, with fewer hours spent commuting and less office-based energy use.

## Disclosure of information to auditor

As far as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

## Trustees' responsibilities

The Trustees (who are also directors of Friends of the Earth Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP and FRS102
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors

Crowe UK LLP have indicated their willingness to continue in office and offer themselves for re-appointment in accordance with the Companies Act 2006.

This report was approved by the Trustees and signed on their behalf.



### **Sian Ferguson**

Chair and Trustee  
Friends of the Earth Charitable Trust  
8 December 2025

## Independent Auditor's Report to the Members and Trustees of Friends of the Earth Charitable Trust

### Opinion

We have audited the financial statements of Friends of the Earth Charitable Trust ('the charitable company') for the year ended 30 June 2025 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including 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 30 June 2025 and of 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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.

### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion

thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 23, 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.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), General Data Protection Regulation (GDPR), employment legislation and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the charitable company for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and legacy income and management override of controls. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we

have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*N. Hashemi*

Naziar Hashemi  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor

London

Date: 20 January 2026

## Statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2025 £	2024 £
<b>Income</b>					
Grants, donations and legacies	2	13,189,572	1,719,744	<b>14,909,316</b>	14,882,632
Trading activities	3	402,376	-	<b>402,376</b>	29,679
Investments	4	21,009	-	<b>21,009</b>	38,410
<b>Total income</b>		<b>13,612,957</b>	<b>1,719,744</b>	<b>15,332,701</b>	<b>14,950,721</b>
<b>Expenditure</b>					
Raising funds		2,276,939	-	<b>2,276,939</b>	2,561,388
Charitable activities	5,6	10,721,415	1,768,029	<b>12,489,444</b>	11,255,771
<b>Total expenditure</b>	7-10	<b>12,998,354</b>	<b>1,768,029</b>	<b>14,766,383</b>	<b>13,817,159</b>
<b>Net movement in funds</b>		<b>614,603</b>	<b>(48,285)</b>	<b>566,318</b>	<b>1,133,562</b>
<b>Funds brought forward</b>		3,815,158	268,762	<b>4,083,920</b>	2,950,358
<b>Funds carried forward</b>	21	<b>4,429,761</b>	<b>220,477</b>	<b>4,650,238</b>	<b>4,083,920</b>

## Balance sheet

	Notes	2025 £	2024 £
<b>Non-current assets</b>			
Intangible fixed assets	12	1,809,844	1,823,885
Tangible fixed assets	13	60,091	96,031
Investment property	14	520,000	520,000
Investments	15	242,964	-
		<b>2,632,899</b>	<b>2,439,916</b>
<b>Current assets</b>			
Current asset investments	15	5,869	248,785
Debtors	16	1,699,429	1,087,149
Cash at bank and in hand		2,357,554	1,128,780
		<b>4,062,852</b>	<b>2,464,714</b>
<b>Current liabilities</b>			
Creditors - due within one year	17	(1,928,013)	(626,867)
Provisions	18	(117,500)	(193,843)
		<b>(2,045,513)</b>	<b>(820,710)</b>
<b>Net current assets</b>		<b>2,017,339</b>	<b>1,644,004</b>
<b>Net assets</b>		<b>4,650,238</b>	<b>4,083,920</b>
<b>Funds</b>			
Unrestricted general funds		2,039,826	1,284,732
Designated funds	20	2,389,935	2,530,426
Restricted funds	19	220,477	268,762
<b>Total funds</b>	21	<b>4,650,238</b>	<b>4,083,920</b>

Approved and authorised for issue by the Trustees on 8 December 2025 and signed on behalf of the Board,



Sian Ferguson  
Chair and Trustee  
8 December 2025

## Statement of cashflows

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
<i>Net cash provided from operating activities</i>	1,357,964	69,655
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	21,009	38,410
Purchase of property, plant and equipment	-	(91,702)
Purchase of intangibles	(150,199)	(523,658)
<b><i>Net cash from investing activities</i></b>	<b><u>(129,190)</u></b>	<b><u>(576,950)</u></b>
<b>Net (decrease) in cash and cash equivalents</b>	<b><u>1,228,774</u></b>	<b><u>(507,295)</u></b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,128,780</b>	<b>1,636,075</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>2,357,554</u></b>	<b><u>1,128,780</u></b>

Reconciliation of net income to net cash from /  
(used in) operating activities

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Net surplus for the year	566,318	1,133,562
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(21,009)	(38,410)
Depreciation charges	200,180	79,775
(Increase) in debtors	(612,280)	(490,249)
Increase / (Decrease) in creditors	1,224,803	(94,267)
Donation of investment property	-	(520,000)
Other movements	(48)	(756)
<b>Net cash provided from operating activities</b>	<b><u>1,357,964</u></b>	<b><u>69,655</u></b>

Analysis of cash and cash equivalents

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
	<u>2,357,554</u>	<u>1,128,780</u>

## Notes to the financial statements

### 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation

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

Friends of the Earth Charitable Trust meets the definition of a public benefit entity under FRS 102 as set out on page 8.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

This charity works closely with its sister company Friends of the Earth Limited. As at the balance sheet date, the boards of the two companies are separately controlled and no consolidation takes place in reflection of this arrangement.

#### b) Preparation of accounts on a going concern basis

The Trustees have reviewed Friends of the Earth Charitable Trust's financial position, reserves levels and future plans, and are confident that the charity remains a going concern. There are no material uncertainties about the charity's ability to continue in operational existence.

As part of our going concern review, we have ensured that free reserves will be maintained at between 2 and 4 months' expenditure, as per the reserves policy, for at least the next 12 months.

#### c) Accounting estimates and judgements

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions that affect the carrying value of assets and liabilities, that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The items in the accounts that are considered to involve critical judgements and sources of uncertainty through estimation, when applying the charity's accounting policies include:

- Revenue recognition where judgement is required to appropriately apply the income accounting policies explained in the accounting policy note below
- Cost allocation methodology, where judgement is required as to the most appropriate bases to apportion support and governance costs between raising funds and charitable expenditure
- The expected useful economic life of fixed assets
- The provision for costs associated with the reinstatement of leasehold properties at the end of the term of the lease
- Revaluation of investment properties

## Notes to the financial statements

### d) Income recognition

All income is recognised in the statement of financial activities once the charity has entitlement to the income, it is probable that income will be received, and the amount of income receivable can be measured reliably. Unrestricted income is available for expenditure approved by the board. Restricted income is available for expenditure in accordance with the purpose specified by the donor.

#### Donations and legacies

These are included in full in the statement of financial activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Pecuniary legacies are recognised when probate has been obtained and there is no evidence of insufficient assets. Residuary legacies are recognised when probate has been obtained, estate accounts approved or an interim distribution approved by executors, and there are no outstanding claims against the estate.

#### Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

#### Grants

Grants are recognised in full in the statement of financial activities in the period in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

#### Income from trading activities

Income from trading activities is recognised as earned as the related goods or services are provided.

#### Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

### e) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

**Cost of raising funds** includes costs incurred in seeking voluntary donations, as well as those incurred in recruiting new financial supporters. It does not include the costs of disseminating information in support of the charitable activities.

**Expenditure on charitable activities** comprises all direct costs incurred in pursuance of the Trust's objectives, as well as the costs of disseminating information in support of the charitable activities, allocated costs, and support costs. Allocated costs are those of capacity building and regional networks that are directly working towards achieving our aims. Support costs comprise those services provided centrally that are identifiable in support of direct charitable purposes, including staff, IT, premises, facilities and other office costs.

## Notes to the financial statements

Irrecoverable VAT is charged as a cost to the organisation.

### f) Allocation of costs

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

### g) Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

### h) Intangible fixed assets

Intangible fixed assets are capitalised when their purchase price exceeds £100. Intangible fixed assets are stated at cost less accumulated amortisation. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Intangible fixed assets are amortised in equal annual instalments over their estimated useful lives as follows:

Computer software	4 years
CRM system	8 years

### i) Tangible fixed assets

Fixed assets are capitalised when their purchase price exceeds £100. Fixed assets are stated at cost less accumulated depreciation. If assets are acquired by way of donation, the deemed cost is the estimated fair value at the donation date. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Tangible fixed assets are depreciated in equal annual instalments over their estimated useful lives as follows:

Fixtures, fittings and leasehold improvements	Over the term of the lease
Furniture	10 years
Office equipment	4 years
Computers	3 years

### j) Investment property

Investment property is stated at market value at the balance sheet date. Any change in market value in the year is recognised in the statement of financial activities. The properties in the portfolio are revalued by a professional valuer who is qualified for the purposes required, based on market knowledge, at least every three years.

Any gains on revaluation are recognised in other income only when the charity has discretion over the timing of the asset's disposal. Losses arising on revaluation of any property are recognised in other income to the extent of any previously recognised revaluation increases in respect of that asset. All other changes in value are recognised in net gains / (losses) on investment property in the statement of financial activities.

### k) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Any change in fair value, whether realised or unrealised, is recognised in the statement of financial activities.

## Notes to the financial statements

### **l) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **m) Cash at bank and in hand**

Cash at bank and cash 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.

### **n) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

### **o) Funds**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees for the objects of the charity. Restricted funds are those that are to be used according to specific instructions imposed by donor or trust deed. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

### **p) Employee benefits**

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Friends of the Earth operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Friends of the Earth Charitable Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

### **q) Foreign currency translation**

The charity's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the statement of financial activities.

### **r) Legal status**

Friends of the Earth Charitable Trust is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is The Printworks, 1st Floor, 139 Clapham Road, London, SW9 0HP.

## Notes to the financial statements

### 2 Income from grants, donations and legacies

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Gifts and Donations (a)	8,110,888	8,220,680
Legacies (b)	3,477,315	3,264,456
Grants - Postcode Earth Trust (c)	3,000,000	3,100,000
Donated services and goods (Gifts in Kind) (d)	319,768	253,394
Other	1,345	44,102
<b>Total</b>	<b><u>14,909,316</u></b>	<b><u>14,882,632</u></b>

(a) Included within Gifts and Donations are £1,719,744 of restricted grants and donations (2024: £1,228,233).

(b) As at 30 June 2025 we have £2,907,178 (2024: £4,197,250) of legacies in the pipeline that do not meet the criteria for income recognition as set out in the accounting policy.

(c) During the year we received a grant of £3,000,000 from the Postcode Earth Trust, which receives all of its funding from People's Postcode Lottery (2024: £3.1m).

(d) We continued to receive a gift in kind for our search engine advertising from Google Ireland.

### 3 Income from trading activities

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Donations for community events organised by Friends of the Earth Limited	18,402	29,679
Merchandise sales	13,843	-
Other trading activities	370,131	-
	<b><u>402,376</u></b>	<b><u>29,679</u></b>

### 4 Income from investments

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Bank interest	19,995	14,470
Dividends	1,014	1,693
Investment property rental income	-	22,247
	<b><u>21,009</u></b>	<b><u>38,410</u></b>

## Notes to the financial statements

### 5 Analysis of direct charitable expenditure

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Grants given (a)	10,608,353	9,192,894
Support costs	1,561,323	1,809,483
Gifts in Kind	319,768	253,394
<b>Charitable activities</b>	<b>12,489,444</b>	<b>11,255,771</b>

(a) Grants given includes the grant of £10,376,000 given to Friends of the Earth Limited (2024: £9,035,000) with the balance grants provided to other organisations.

### 6 Analysis of support costs

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Finance & operations	1,531,018	1,789,443
Governance costs	30,305	20,040
	<b>1,561,323</b>	<b>1,809,483</b>

Governance costs include:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Board meetings, training, recruitment and Trustees expenses	1,090	1,022
Audit fee	17,250	13,900
Legal & professional costs including Indemnity Insurance	11,965	5,118
	<b>30,305</b>	<b>20,040</b>

### 7 Employee costs

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Salaries	1,075,328	1,426,839
National Insurance	108,047	130,008
Pension	56,202	75,112
	<b>1,239,577</b>	<b>1,631,959</b>

Employees are jointly employed with Friends of the Earth Limited and employee costs above represent Friends of the Earth Charitable Trust's share of employee costs corresponding to fundraising activity undertaken for the Charitable Trust by those jointly employed members of staff. The disclosures below are in relation to the jointly employed staff across both entities.

## Notes to the financial statements

### 7 Employee costs - continued

The average number of employees during the period was 176 (2024: 201).

Friends of the Earth operates a Group Personal Pension Plan for the benefit of its employees. This is a defined contribution scheme and is administered separately from the Charitable Trust. In 2024/25 the Charitable Trust matched contributions made by employees up to 7% of their salary (2024: 7%) and these costs are charged to the statement of financial activities as incurred.

All of the members of staff with emoluments in excess of £60,000 were jointly employed by Friends of the Earth Charitable Trust and Friends of the Earth Limited and their salary costs were split between them according to time spent. The table below shows the range of total emoluments received by higher paid staff. Emoluments include gross pay, taxable benefits and benefits in kind.

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
Number of employees who earned		
- between £60,000 and £69,999	7	9
- between £70,000 and £79,999	1	4
- between £140,000 and £149,999	1	-

The Trustees consider that the Senior Leadership Team are the key management personnel of the charity. The Senior Leadership team included the roles of Chief Executive, Director of Finance & Operations, Director of Income Generation, Director of Policy, Advocacy & Campaigns, and Director of Engagement. The total emoluments paid under joint employment contracts to the 10 (2024: 11) staff who served in these posts were £648,464 (2024: £793,880).

The Trustees' policy is to benchmark all staff salaries to the median point of the range for similar roles in similar charities of similar sizes. This includes the Senior Leadership Team.

### 8 Analysis of total expenditure

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
The surplus for the year is after charging:		
Depreciation	200,180	79,775
Auditors - audit	17,250	13,900
Irrecoverable VAT	296,537	414,020
Payments under operating leases (note 11)	363,450	574,870

## Notes to the financial statements

### 9 Trustees' remuneration and expenses

Trustees are not allowed to be paid for their services nor may they be paid employees. No Trustees have any interests in the charity. During the year there was reimbursement of Board related travel expenses totalling £1,061 (2024: £1,022) incurred by 3 (2024: 3) Trustees.

### 10 Corporation tax

Friends of the Earth Charitable Trust is a registered charity and as such can claim exemption from corporation tax on its income under Part 11 of the Corporation Taxes Act 2010 and on its capital gains under section 257 of the Taxation of Chargeable Gains Act 1992.

### 11 Operating leases

The charity leases property on short-term leases. Payments made on these leases were £363,450 (2024: £574,870) and are subject to re-negotiation at various intervals specified in the leases. The total commitments remaining, up to the break clause, are as follows:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Payments due:		
Not later than one year	386,752	407,227
Later than one year and not later than five years	203,955	535,364
Total	<b><u>590,707</u></b>	<b><u>942,591</u></b>

## Notes to the financial statements

### 12 Intangible fixed assets

	Work in progress	CRM system	Computer software	Total intangible assets
	£	£	£	£
<b>Cost</b>				
Balance at 1 July 2024	1,823,885	-	109,193	<b>1,933,078</b>
Additions	150,199	-	-	<b>150,199</b>
Transfers	(1,974,084)	1,974,084	-	-
Balance at 30 June 2025	-	1,974,084	109,193	<b>2,083,277</b>
<b>Depreciation</b>				
Balance at 1 July 2024	-	-	109,193	<b>109,193</b>
Charge in the period	-	164,240	-	<b>164,240</b>
Balance at 30 June 2025	-	164,240	109,193	<b>273,433</b>
<b>Net book value</b>				
<b>At 30 June 2025</b>	-	<b>1,809,844</b>	-	<b>1,809,844</b>
At 30 June 2024	1,823,885	-	-	<b>1,823,885</b>

A new CRM system was brought into organisation-wide use in October 2024.

### 13 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & office furniture	Computer & office equipment	Total tangible assets
	£	£	£	£
<b>Cost</b>				
Balance at 1 July 2024	1,071,347	214,088	29,502	<b>1,314,937</b>
Balance at 30 June 2025	1,071,347	214,088	29,502	<b>1,314,937</b>
<b>Depreciation</b>				
Balance at 1 July 2024	1,009,326	180,078	29,502	<b>1,218,906</b>
Charge in the period	23,531	12,409	-	<b>35,940</b>
Balance at 30 June 2025	1,032,857	192,487	29,502	<b>1,254,846</b>
<b>Net book value</b>				
<b>At 30 June 2025</b>	<b>38,490</b>	<b>21,601</b>	-	<b>60,091</b>
At 30 June 2024	62,021	34,010	-	<b>96,031</b>

## Notes to the financial statements

### 13 Tangible fixed assets - continued

The Trust also owns approximately one acre of woodland, near Bathampton, which lies within an area of special scientific interest and is managed by Bath and Somerset Wildlife Trust. The land was assessed as having a fair value of nil when it was donated.

### 14 Investment property

	2025	2024
	£	£
Market value at the start of the year	520,000	-
Additions	-	520,000
Market value at the end of the year	<u>520,000</u>	<u>520,000</u>

Two investment properties are held arising from a legacy donation. The properties were last valued on 25 July 2024 by Berrys.

### 15 Investments

We hold a shareholding of 1,200 in the Thrive Renewables fund, given to us as part of a legacy, held at £2.47 per share (2024: £2.43 per share).

In 2013-14, we invested in 5,869 shares from Spirit of Lanarkshire Energy Co-op at £1 per share, offered to the public to fund development of a wind farm. These shares were sold at par in July 2025.

In 2015-16 we invested £200,000 in an Ecobond from Ecotricity, for building new sources of green energy, receiving 6% annual interest.

In 2017-18, we invested in shares worth £40,000 (21.6% share) in Friends of the Earth (Birmingham) Limited. These are held at cost as there is no active market.

In 2023-24, investments were reclassified from fixed assets to current assets, with the intention to sell them. The Trustees no longer intend to liquidate these investments, so they have been reclassified to fixed assets again in the year.

### 16 Debtors

	2025	2024
	£	£
Trade debtors	7,019	23,533
Income tax recoverable (Gift Aid on donations received)	742,025	594,917
Prepayments and accrued income	922,234	437,228
Other debtors	28,151	31,471
	<u>1,699,429</u>	<u>1,087,149</u>

### 17 Creditors - due within one year

	2025	2024
	£	£
Trade creditors	296,460	236,350
Accruals	1,626,859	361,265
Tax and social security	4,694	20,859
Other creditors	-	8,393
	<u>1,928,013</u>	<u>626,867</u>

## Notes to the financial statements

### 18 Provisions

	Balance at 1 July 2024	Provided in year	Released in year	Utilised in year	Balance at 30 June 2025
	£	£	£	£	£
Dilapidations provision	117,500	-	-	-	117,500
Redundancy provision	76,343	-	-	(76,343)	-
	<b>193,843</b>	-	-	<b>(76,343)</b>	<b>117,500</b>

The dilapidations provision relates to costs payable upon expiration of our operating leases (note 11).

The redundancy provision relates to the Change Programme that commenced in June 2024 and was concluded in the year.

### 19a Restricted funds - current year

	Balance at 1 July 2024	Income	Expenditure	Balance at 30 June 2025
	£	£	£	£
Co-Op Postcode Gardener	103,878	392,062	392,763	103,177
Climate & Energy - Big Climate Plan	-	354,286	354,286	-
Planet Over Profit - including Big Green Give 2025	-	241,618	241,618	-
Climate & Energy - general	-	171,440	171,440	-
NI Lottery Fund - My World My Home	14,121	127,073	129,260	11,934
ETF - Warm Homes	-	95,159	95,159	-
UMI - Youth and Families	-	80,000	80,000	-
Kenneth Miller Trust - Climate & Energy Legal work	-	40,000	31,495	8,505
NIHRF	-	40,000	-	40,000
John Ellerman Foundation - NI work	-	36,667	36,667	-
Phil Michaels' Legal Intern Fund	40,804	32,896	52,652	21,048
England Team	-	20,000	20,000	-
Youth Gathering	-	18,000	18,000	-
Aziz Foundation	53	16,000	16,053	-
Activism	-	14,949	14,949	-
Freedom to Campaign	-	12,500	12,500	-
Deregulation/ERA	-	12,000	12,000	-
Social Change Initiative	-	6,805	-	6,805
Nature & Environment	14,147	5,438	19,585	-
Mozilla Foundation	-	2,851	2,851	-
Esmee Fairbairn - My World My Home	44,444	-	44,444	-
Sainsbury's Divestment	36,259	-	-	36,259
Oak Foundation - NI sewage work	8,978	-	8,978	-
Oak Foundation - NI other work	4,363	-	4,363	-
Oak Foundation - EU	1,715	-	8,966	(7,251)
<b>Total</b>	<b>268,762</b>	<b>1,719,744</b>	<b>1,768,029</b>	<b>220,477</b>

Restricted funds are received to fund specific pieces of work – most commonly a specific campaigning strand.

## Notes to the financial statements

### 19b Restricted funds - prior year

	Balance at 1 July 2023	Income	Expenditure	Balance at 30 June 2024
	£	£	£	£
Co-Op Postcode Gardener	-	324,728	220,850	103,878
Nature/Environment -inc Big Give Green	-	266,159	252,012	14,147
Climate & Energy- Big Give	-	177,015	177,015	-
Climate & Energy - General	-	122,193	122,193	-
Esmee Fairbairn - My World My Home	57,778	66,666	80,000	44,444
NI Lottery Fund - MWMH	-	63,091	48,970	14,121
Phil Michaels' Legal Intern Fund	38,050	55,360	52,606	40,804
Climate -Whitehaven	-	35,000	35,000	-
Oak Foundation - EU	-	26,180	24,465	1,715
Climate & Energy - Net Zero Legal Case	-	22,570	22,570	-
Near You - John Bell donation re 1year FTC	26,561	12,500	39,061	-
Climate - Net Zero/Warm Homes	14,279	12,000	26,279	-
Deregulation/ERA	-	11,313	11,313	-
General Election	-	10,375	10,375	-
Aziz Foundation	-	9,000	8,947	53
ECF -Fossil Free Work	(8,463)	8,463	-	-
Legal	-	4,495	4,495	-
Northern Ireland	-	1,125	1,125	-
Sainsbury's - Divestment	84,878	-	48,619	36,259
Oak Foundation - NI sewage work	28,913	-	19,935	8,978
Oak Foundation - NI other work	17,750	-	13,387	4,363
Julia Davies - Plastics (inc Gift Aid)	1	-	1	-
<b>Total</b>	<b>259,746</b>	<b>1,228,233</b>	<b>1,219,217</b>	<b>268,762</b>

### 19c Restricted funds - charitable activities

The restricted funds were received for the following charitable activities. The other restricted income included grants broadly restricted to our programmes.

	2025	2024
	£	£
Climate	660,885	377,241
Nature	778,191	770,637
Other	280,668	80,355
	<b>1,719,744</b>	<b>1,228,233</b>

## Notes to the financial statements

### 20 Designated funds

	2025	2024
	£	£
New Customer Relationship Management (CRM) system	385,760	550,000
Fundraising investment fund	-	90,510
Fixed asset reserve	1,484,175	1,369,916
Investment property reserve	520,000	520,000
	<u>2,389,935</u>	<u>2,530,426</u>

The Trustees have designated unrestricted funds as follows:

**Customer Relationship Management (CRM) software** - this fund was established in 2021 to offset depreciation of the software from launch in October 2024.

**Fundraising Investment Fund** - originally established in 2021 with a sum of £500k, this was used to develop an income generation strategy to provide investments in pilots and resourcing new initiatives.

**Fixed asset reserve** - this fund was created in 2024 given the increase in the level of fixed assets held over recent years, and corresponds to the net book value of fixed assets held, less the net book value of fixed assets already covered by other designated or restricted funds.

**Investment property reserve** - this fund was created in 2024 and represents the value of two tenanted properties bequeathed to Friends of the Earth Charitable Trust. These funds represent a commitment as due to the wishes of the legator, the funds are not freely available until such time as the tenants leave.

### 21a Analysis of net assets between funds - current year

	Unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Fixed assets	-	1,869,935	-	1,869,935
Investment property	-	520,000	-	520,000
Net current assets	2,039,826	-	220,477	2,260,303
	<u>2,039,826</u>	<u>2,389,935</u>	<u>220,477</u>	<u>4,650,238</u>

### 21b Analysis of net assets between funds - prior year

	Unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Fixed assets	-	1,919,916	-	1,919,916
Investment property	-	520,000	-	520,000
Net current assets	1,284,732	90,510	268,762	1,644,004
	<u>1,284,732</u>	<u>2,530,426</u>	<u>268,762</u>	<u>4,083,920</u>

## Notes to the financial statements

### 22 Liabilities of members

In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. At 30 June 2025 the number of members was 4 (2024: 4).

### 23 Related party transactions

There were no related party transactions in the period.

### 24 Comparative statement of financial activities - 2023-24

	Unrestricted £	Restricted £	2024 £
<b>Income</b>			
Grants, donations and legacies	13,654,399	1,228,233	14,882,632
Other trading activities	29,679	-	29,679
Investments	38,410	-	38,410
<b>Total Income</b>	<b>13,722,488</b>	<b>1,228,233</b>	<b>14,950,721</b>
<b>Expenditure</b>			
Raising funds	2,561,388	-	2,561,388
Charitable activities	10,036,554	1,219,217	11,255,771
<b>Total expenditure</b>	<b>12,597,942</b>	<b>1,219,217</b>	<b>13,817,159</b>
<b>Net movements in funds</b>	<b>1,124,546</b>	<b>9,016</b>	<b>1,133,562</b>
<b>Funds brought forward</b>	<b>2,690,612</b>	<b>259,746</b>	<b>2,950,358</b>
<b>Funds carried forward</b>	<b>3,815,158</b>	<b>268,762</b>	<b>4,083,920</b>



**FRIENDS OF THE EARTH CHARITABLE TRUST**

England & Wales - Charity number 281681

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# Accounts

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**Friends of the Earth Charitable Trust  
Report and Accounts  
for the year ended 30 June 2024**

## Contents

<b>Reference and administrative details</b>	<b>3</b>
<b>About Friends of the Earth</b>	<b>4</b>
<b>Executive Director and Chair's statement</b>	<b>5</b>
<b>Trustees' and Strategic Report</b>	<b>6</b>
- Our object and activities	7
- Our achievements in 2023-24	8
- Our plans for 2024-25	11
- Fundraising review	12
- Financial review	13
- Our people	15
- Governance, structure and risks	19
<b>Independent Auditor's Report</b>	<b>23</b>
<b>Statement of Financial Activities</b>	<b>27</b>
<b>Balance Sheet</b>	<b>28</b>
<b>Statement of Cash Flows</b>	<b>29</b>
<b>Notes to the Accounts</b>	<b>30</b>

## Reference and administrative details

Friends of the Earth Charitable Trust is a company limited by guarantee (registered 10 December 1980), not having a share capital, and is also a registered charity (registered 6 January 1981) governed by its memorandum and articles of association.

**Company Registration Number:** 01533942  
**Registered Charity Number:** 281681  
**Registered office:** The Printworks  
1st Floor, 139 Clapham Road  
London, SW9 0HP  
**Country of incorporation:** England and Wales

### Trustees

The Trustees, who are the Directors of the charity for the purposes of the Companies Act, and held office during the period were:

Frances Butler<sup>1</sup> (resigned 31 October 2023)  
Beverley Downes  
Nicholas Eldred  
Gillian Fawcett (resigned 24 June 2024)  
Sian Ferguson (Chair)  
Sandy Hore Ruthven (resigned 22 November 2023)  
Louisa K Hand (resigned 7 December 2023)  
Melanie Oley

**Executive Director:** H Knowles and M Turner (resigned 5 July 2024)  
J Peters (appointed 30 July 2024)

**Company Secretary:** H Ashley Taylor (resigned 2 January 2024)  
J Parfitt (appointed 2 January 2024, resigned 15 August 2024)  
M Waller (appointed 3 October 2024)

The day-to-day management is delegated to the Executive Director, the Senior Leadership Team (made up of employees selected for their expertise in the various activities of the organisation) and the Trust's other staff. The charity has its own Trust Director who serves as company secretary to the Board of Trustees, supporting with meetings and charity governance matters affecting the Trust. The Trust Director reports to the Chair and the Trustees and has no other role in the charity or any of its grantees.

### Auditor

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

### Bankers

Co-operative Bank plc  
Manchester Business Centre  
1 Balloon Street  
Manchester  
M60 4EP

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<sup>1</sup> Held role as Director of Friends of the Earth Limited for the same period

## About Friends of the Earth

The natural world has experienced unprecedented disruption in recent years. And it is people as well as the environment that suffer as a result.

For over 50 years, Friends of the Earth has been dedicated to the protection of the natural world and the wellbeing of everyone in it. Our international community brings together more than two million people in 73 countries, combining people power all over the world to make an even greater difference and transforming local actions into global impact.

We fund campaigns, provide resources and information and promote alternative solutions to create a cleaner, healthier and fairer world for everyone, for today and for generations to come.

In the UK, Friends of the Earth has been responsible for making recycling not just a household word, but a household habit. We successfully campaigned for the world's first climate change law, the Climate Change Act 2008, which paved the way for similar legislation around the world. Our combined strength has meant we have been able to push back against drilling for fossil fuels and ensure legal protection from pesticides for bees, we continue the fight against climate change.

Working together with local groups, experts, business leaders and politicians we push for change around the issues and causes that matter to you – protecting your home and local environment, promoting safe and healthy food and water across the globe and supporting alternative energy solutions that can change the world for the better. Whether you are a first-time supporter or a seasoned campaigner, we're with you every step of the way, supporting communities, defending human rights, protecting nature, moving mountains.

Together with us your voice is louder, your actions more significant and your impact greater. Together with you, we are determined to change the world for good.

## Chair and Executive Director's statement

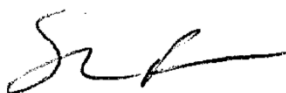
In a year when record temperatures and extreme weather events were again observed in the UK and globally, the Friends of the Earth Charitable Trust fulfilled its charitable purpose by funding work that enables change and protects the environment, establishing far-reaching wins to advance climate and environmental justice.

Highlighting just some of the activity funded by the Trust this year:

- The Supreme Court ruled an original planning application for new oil drilling at Horse Hill in Surrey to be unlawful, and established that any future planning applications for fossil fuel extraction projects must consider the upstream climate impacts of burning oil. This ruling will dramatically reshape the landscape for fossil fuel developers, including at the proposed Whitehaven coalmine in Cumbria and in the North Sea.
- A second successful legal challenge to the government's decarbonisation plan. The High Court ruled the government's inadequate carbon reduction plan to be in breach of the Climate Change Act 2008, demonstrating that compliance with this Act is not optional.
- Mobilisation and support of Friends of the Earth's network of grassroots activists across the country to make the most of general, local and mayoral elections, delivering everything from campaigning support and hustings training to providing open, relevant, globally robust environmental data to support engagement with local decision makers.
- A legal challenge to the UK's 'National Adaptation Programme 3', raising awareness of the importance of climate adaptation in the UK, and current government inaction and failings

Over the next year we will continue to fund work to ensure that fossil fuels have no place in our future, and ensure that the decarbonisation of heat prioritises those in fuel poverty. We will support projects that help communities benefit from thriving nature in their local areas, and continue to raise awareness of the climate emergency and the urgency of the need for action, all within the new political context.

We are incredibly grateful to our supporters, donors and partners, including the People's Postcode Lottery and its players, and everyone in the movement alongside us. Without them we cannot continue to support the fight for climate justice.



**Sian Ferguson**  
Chair and Trustee



**Jamie Peters**  
Interim Executive Director

## Trustees' and Strategic report

The Trustees are pleased to present their Trustees' and Strategic report, together with the financial statements, for the year ended 30 June 2024. The financial statements comply with current statutory requirements, the memorandum and Articles of Association and the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities (FRS 102).

### Our objects and activities

#### Our purposes and aims

Friends of the Earth Charitable Trust is dedicated to achieving the following charitable objectives:

- The conservation, protection and sustainable use for the public benefit of the Earth's natural environment, including biodiversity, atmosphere, water, land and natural resources.
- The advancement of education for the public benefit and, in particular, the advancement of education in ecology, natural history, resource conservation, sustainable development and environment studies.
- The promotion of sustainable development for the benefit of the public by
  - (i) the preservation, conservation and the protection of the environment and the prudent use of natural resources; and
  - (ii) conducting or commissioning research and publishing the results of such research

'Sustainable development' means improving the quality of life while living within the carrying capacity of supporting ecosystems and the natural environment.

We aim to achieve these objects by funding work that falls within the confines of this remit. This report sets out how these objects were achieved in the year ending 30 June 2024, the proposals for the fulfilment of the charitable objects during 2024-25 and how we plan to fulfil the charitable objects for the public benefit in future years.

In conducting its objects for the public benefit, Friends of the Earth Charitable Trust continues its long-term association with other Friends of the Earth environmental groups, both locally and internationally, in order to increase the effectiveness of its charitable work for the public benefit. This association is acknowledged within the Articles of Association that govern the charitable company.

### **Our grant making policy**

All work funded by the Trust must fall within the charitable objects stated above and must comply with all legal and regulatory requirements for UK registered charities. We fulfil our charitable objects for the public benefit by providing grant funding to organisations with aligned purposes and aims. Trustees regularly review the most effective ways to further the charity's objects for the public benefit. Trustees agree the primary funding areas for each year and retain complete discretion to approve or reject any grant application. The Trustees aim to diversify the range of grantees to which it provides grant funding in future years.

The Trust has grant monitoring procedures in place to ensure that all charitable funds are spent solely on charitable activities to further the charitable objects in accordance with the conditions attached to the grant in the written grant agreement.

### **Public Benefit Statement**

The Trustees recognise that the work of the charity seeks to provide long-term public benefit that will support communities, including the wider international community.

Our work to date has benefited the public by commissioning research, raising awareness, and campaigning on issues of major public concern including climate change, environmental protection, biodiversity and sustainable development. The Trust welcomes people from all sections of society as supporters and its campaigning and awareness raising on environmental matters is directed to all in society. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

## **Our achievements in 2023-24**

This year Friends of the Earth Charitable Trust was proud to fund a wide variety of activities that aimed to tackle the climate and ecological crises in a fair and just way. Without the support of our donors, funders and financial supporters, the activities and achievements we funded this year would not have been possible.

In the year, the charity made grant payments of £8.82m, including £8.8m to Friends of the Earth Limited for the costs of charitable activities as described below.

Additionally, the charity provided full or partial grant funding across its small and micro grants programmes, to projects and initiatives which further its aims. Details of those grant programmes are set out below.

We set an annual fundraising budget, and regularly assess and monitor the progress of our grantees to ensure that our charitable objects are being achieved in line with the terms of the grants awarded.

### **Friends of the Earth Limited**

Our largest grantee, Friends of the Earth Limited, sets clear objectives and key results as part of its annual business planning process. Its 2023-24 objectives were:

- To design, run, and win environmental justice campaigns through strong new partnerships
- To build power by bringing together and connecting citizens and communities, driving collective action that delivers environmental justice
- To develop a powerful new narrative around how people power and collective impact delivers environmental justice is inspiring many more people to hope and action
- To ensure that FOE is a fantastic place to work, where FOEL's culture, systems and ways of working enable all of us to make our best contribution

Some of Friends of the Earth Limited's key achievements are listed below. Further detail can be found in Friends of the Earth Limited's annual report and accounts.

- Working with communities in Whitehaven in Cumbria, Horse Hill in Surrey, Larne Lough in Northern Ireland to campaign against regressive and dangerous new fossil fuel projects.
- Delivering a petition to Unilever with nearly 50,000 signatures, and held actions with youth activists and local action groups at their London headquarters and Port Sunlight site. This challenged environmental and human rights abuses in palm oil supply chains linked to Astra Agro Lestari, a Unilever supplier.
- Launching a campaign for a stronger climate plan (Carbon Budget Delivery Plan), to ensure the UK government delivers on the Climate Change Act and international commitments. This included a legal case against the existing Carbon

Budget Delivery Plan, which won in court, securing a legal commitment for the Government to create a new climate plan that meets their obligations.

- Supporting 200 Local Action Groups to campaign in their local areas, with an offer of support, training, and resources, and the opportunity to apply for grant funding.
- Launching a new campaign governance structure under three core themes: climate and energy, nature and environment, and rights and justice, to ensure campaigning work is targeted and effective in contributing to Friends of the Earth's strategic goals.
- Continuing work to provide easily accessible insight into areas such as tree coverage, climate vulnerability and air pollution in local areas through the Near You digital tool, providing the data grassroots campaigners need to drive change and campaign for local council Climate Action Plans.
- Launching new research on the links between health inequalities and warm homes with the Institute of Health Equity, fronted by Professor Michael Marmot, with a reception that brought together MPs, peers, local activists, students, donors, national partners and others.
- Implementing phase 1 of the transformational CRM project for Friends of the Earth's Communities and Networks teams, providing opportunities for more streamlined working and improved systems for communications with its network of activists. Phase 2, for the rest of the organisation, launched in autumn 2024, and will be implemented fully in the next financial year.

## **Small and Micro Grant Programmes**

The Trust also supports Friends of the Earth's Local Action Groups through the provision of small grants to support their campaigning efforts, building strength across the wider network.

### **Local Action Group Fund**

The Local Action Group fund is open to all registered Friends of the Earth groups and networks. It provides financial support that can make a real difference, either by building and developing groups or by achieving a demonstrable positive impact on nature, the climate and/or environmental justice. In 2023-2024 we awarded 25 small grants under the Local Action Group Fund. These have proved very effective in supporting localised campaigning. For example:

- Leeds Friends of the Earth applied for £377 to fund a creative demonstration outside the West Yorkshire Combined Authority AGM as part of their #GetClimateGoalsOnTrack campaign (a combined effort also involving Huddersfield Friends of the Earth, Just Transition Wakefield, and Baildon and Shipley Friends of the Earth).
- Climate Action Plymouth applied for £475 to fund a rally, a march and a people's assembly in Plymouth around COP28 last year.

The Campaign Against Gatwick Noise Emissions (CAGNE) applied for £494 to help fund a range of activities to raise awareness of the environmental problems a new Gatwick runway will cause both locally and globally.

### **Partnership Fund**

The Partnership Fund is open to all registered Friends of the Earth Local Action Groups. It is intended to provide financial support to groups that demonstrate that an activity contributes to supporting and amplifying the voices of communities and groups often left out in the environment and climate movements. For example, a group may wish to pay a speaker from a working-class background to speak at an event or run a solidarity action to support a minoritised community. Applications are submitted for a total of £500 per financial year.

Grants are awarded for projects supporting the development of partnership work or participation with groups. This could include paying for consulting with a marginalised group for marketing and campaigns, supporting a solidarity event financially, supporting the planning and hosting of an event or action. In total in 2023-24 we issued 2 grants, to a total value of £655, including a £500 grant to Bristol Friends of the Earth, to develop their partnership with the Black Seeds Network, a local organisation that provides a platform and space for environmentalists of colour to socialise and campaign. They're partnering together to deliver a programme of activities led by environmentalists of colour called Nature Rising.

### **Youth Action Fund**

The Youth Action Fund exists to support grassroots level campaigning on climate change that is led and delivered by young people based in England, Wales and Northern Ireland. The Fund is open to: grassroots groups whose membership is age-restricted to those aged 25 and under; individuals who are aged 25 and under, and small campaigning organisations whose leadership is predominantly 25 and under and who work exclusively to support campaigning by that age group.

The fund is intended to provide financial support that can make a real difference, either by building and developing groups, providing an individual with an opportunity that they could not otherwise access, or by achieving a demonstrable positive impact on the climate.

## Our plans for 2024-25

Friends of the Earth Charitable Trust's role is as a grant-making organisation, harnessing public and partner funding to support organisations with objectives that further our mission.

In June 2024 we approved a large grant application from Friends of the Earth Limited for charitable activities in 2024-25. Our funding will support this grantee to build partnerships that enable it to listen to the voices of those in communities currently suffering due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transformation. These partnerships will allow it to add what it hears to the considerable expertise it has in the organisation and wider network.

Our grant will enable Friends of the Earth Limited to build tools that will help people create the change they want to see, ensuring the organisation doesn't become a bottleneck as it aims to link local organising to national influencing in a growing network. It will also help our grantee tell a powerful story about Friends of the Earth's role and ensure that thousands more want to act and support us.

Our grant to Friends of the Earth Limited will contribute to:

- designing, building and winning environmental justice campaigns through strong new partnerships
- supporting hundreds of thousands of citizens to stand up for their rights and the environment
- inspiring a million more people to hope and action via a powerful new story about people power and collective impact
- supporting Friends of the Earth to be a fantastic place to work, where the culture, systems and ways of working enable all of us to make our best contribution.

Our funding will support environmental justice campaigns that aim to:

- win a solution to eradicate fuel poverty and slash emissions (by 2025)
- have significant impact in stopping the UK's support for fossil fuel extraction
- stand up for communities who have suffered most from nature loss
- galvanise civil society against the shrinking of civil society space, opposing and halting repressive legislation.
- continue the momentum for local climate action, building the movement and making real world impact at the local, regional and national level.

We will continue supporting local communities in tackling the climate and ecological emergencies through our small and micro grants programmes, which also diversifies our range of grantees. We will look to fund other activities that support our objectives as they arise throughout 2024-25.

## Fundraising Review

### Fundraising performance

In the year under review, the total income raised was £14,883k, an increase of 17% on the £12,722k raised in the previous year.

Gifts and donations for the period totalled £8,221k, compared with £7,709k in the previous year; most of this increase was in Strategic Partnerships and Major Donors. Given the adverse economic headwinds, donations have held up very well, which is a testament to the loyalty of our donors, funders and partners.

Legacy income totalled £3,264k (2022-23: £1,759k). Despite its unpredictability, our legacy income has shown an improving trend, in line with the expected and significant inter-generational wealth transfer in wider society. The year on year increase in this income area demonstrates the strong long-term relationship supporters hold with us, and their desire to continue support for our mission in their name.

We received £3,100k from People's Postcode Lottery (2022-23: £3,000k). The £100,000 increase from the prior year was due to a one-off additional grant from People's Postcode Lottery to help their charity partners through the cost of living crisis.

The value of gifts in kind received in 2023-24 increased to £253k from 2022-23's £206k.

Our forecasts for 2024-25 are based on caution as we navigate a challenging external context. However, we expect the breadth of our supporter base to continue to provide financial resilience.

We will continue to reach and engage with new audiences motivated to tackle the climate and ecological crises via financial contributions. There remains high awareness of and concern for environmental issues, with a particular desire to ensure a fair and sustainable transition to a low carbon economy. Friends of the Earth Charitable Trust's grant giving will continue to further this vital and ever-relevant work, thanks to the ongoing generosity of our donors.

### Our Fundraising Promise

We generate funds through a range of techniques, including printed communications, telephone fundraising and a variety of digital fundraising activity. We continue to work with carefully selected third-party suppliers in relation to various aspects of our fundraising activity. We establish strategic partnerships with agencies or freelancers to enhance the quality and impact of our fundraising activity. Examples of this work include creative development of fundraising communications, printing and mailing services, response handling and donor stewardship. We work with professional fundraisers at telephone agencies in order to conduct high quality and engaging conversations about the impact of their support on our work, and the variety of ways in which they can consider supporting us further. All professional fundraisers working on our behalf undergo regular training on compliance and quality standards and are fully briefed on the work of the organisation.

We are registered with the Fundraising Regulator and continue to be a member of the Chartered Institute of Fundraising. We have had no non-compliance with the Fundraising Regulator in 2023-24. All third-party suppliers who are in contact with our supporters have a vulnerable people policy in place and meet the same high-quality standards as our own. Partner agencies hold membership with the relevant membership body, such as the Chartered Institute of Fundraising or the Direct Marketing Association, which requires compliance with a broad range of regulations and best practice policies.

We continue to monitor and respond to developments in fundraising regulation and all other relevant regulation, including GDPR. We continue to adhere to the highest standards of practice in fundraising, data protection and communications.

We have a Supporter Promise and complaints procedure, which are clearly signposted for supporters to ensure they are aware of the high standards we hold in our supporter relations work, and how they can contact us with any questions or comments. In 2023-24 we received 20 direct complaints about fundraising activity or processes (2022-23: 8). All were resolved and no complaints were received through the Fundraising Regulator. We have a vulnerable persons policy, and our fundraising teams have completed safeguarding training and comply with our safeguarding policy throughout their work.

## **Financial review**

### **Overall financial performance**

#### **Income**

In the year, our income was £14,951k, an increase of £2,184k from 2022-23. This was mainly due to an increase in legacy income of £1,505k.

98% of our income comes from three main sources: supporters who donate to support our work gifted £8,221k., £3,264k was raised from legacies, and we received £3,100k from the Postcode Earth Trust, which receives all of its funding from the People's Postcode Lottery, strengthening our relationship with this important funder. We are incredibly grateful for the support of our donors and funders and the players of the People's Postcode Lottery.

#### **Expenditure**

Expenditure was £13,817k, a small increase on the previous year figure of £13,492k. Fundraising costs are £2,561k; this means for every £1 we spent in the year we raised £5.81 in donations to the organisation.

We are proud that we are able to contribute to the work of Friends of the Earth Limited and made a grant of £9,035k which enabled them to achieve the impacts as noted above. We also made grants to Friends of the Earth's grassroots network through our small and micro grant programmes of £9k (2022-23: £17k).

In the year we made a surplus of £1,134k, compared to a deficit of £725k in 2022-23.

## **Reserves**

Within unrestricted funds the Trustees have designated the following (as set out in note 20 to the accounts):

- Fixed asset reserve (£1,370k) – this fund was created in 2023-24 given the increase in the level of fixed assets held over recent years in particular the CRM project, and corresponds to the net book value of fixed assets held, less the net book value of fixed assets already covered by other designated or restricted funds
- CRM software (£550k) - this fund was established in 2021 to offset the depreciation of the software from launch and will be used within 2 to 3 years.
- Fundraising Investment Fund (£91k) – originally established in 2021 with a sum of £500k this is being used to develop an income generation strategy to provide investments in pilots and resourcing new initiatives. The remaining funds are planned to be spent in 2024-5.
- Investment Property reserve (£520k) – this fund was created in 2023-24 and represents the value of two tenanted properties bequeathed to FOECT. These funds represent a commitment as due to the wishes of the legator, the funds are not freely available until such time as the tenants leave.

The remainder of unrestricted funds (£1,285k) is considered to be free reserves. The current reserves policy is to hold between two and four months of expenditure as free reserves (excluding the grant made to FOEL), meaning we need to keep £797k to £1,594k in reserves. Actual free reserves are within this range. Trustees are content that this is an appropriate level of reserves for the charity to ensure future resilience.

Restricted funds of £269k relate to funds that can only be used for purposes as specified by the donor. These are detailed in note 19 to the accounts.

## **Going Concern**

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern into the foreseeable future. There are no material uncertainties about the charity's ability to continue in operational existence. As part of our going concern review, we have ensured that free reserves will be maintained at between 2 and 4 months expenditure, as per the reserves policy, for the foreseeable future.

## **Investment policy**

The charity has an ethical investment policy to ensure that its investments do not conflict with its aims. The primary objective of the policy is to ensure that the current value of reserves is, as a minimum, maintained. It is expected that the majority of investments will be in cash or near cash holdings. During the year some investments were reclassified as current in line with plans to liquidate them. Additionally, two investment properties were recognised resulting from a legacy which remain tenanted and generates rental income.

## Our people

### Staff and volunteers

Friends of the Earth employs around 200 staff, jointly employed by both Friends of the Earth Charitable Trust and Friends of the Earth Limited. We have offices in London, Belfast, Cardiff, Birmingham, Leeds, Manchester, Bristol and Brighton. Staff costs are detailed in Note 7 to the accounts. We're also indebted to the invaluable service of our volunteers who provide support to our work.

### Ways of working

In December 2022, we introduced a four day (30 hour) working week as our standard full-time contract and earlier in 2024, we have reviewed this after its full first year of operation, alongside a formal hybrid working arrangement.

While as with any working arrangements, both have their need for adjustment, the feedback we have identified has been substantially positive with a significant increase in wellbeing, a reduction in staff turnover, a substantial increase in good quality job applicants and continuing high level of engagement. Smaller, outward facing teams do have some challenges with ensuring cover at times, but management and staff have worked to overcome these and there has not been any impact on service delivery.

Our Hybrid Working Policy provides for flexible working hours and options for office, hybrid and homeworking. We have introduced core collaboration days, and provide opportunities for staff to get together in person for team days and events.

This has allowed us to become increasingly distributed in terms of our staffing, opening us up to employing new colleagues from communities that more accurately reflect all of our operating area. The mix of ways of working also provides a more accessible working environment for some who have previously been less included in the workplace.

### Remuneration

We use a structured pay scale within the organisation, with all roles allocated a score and band following a job grading process prior to recruitment. Upon recruitment, staff generally start at the mid-point of the band, unless they're viewed to be developing into the role based on their prior experience. We tracked or exceeded the Living Wage Foundation rates in 2023-2024 and undertake periodic benchmarking exercises to help set our pay rates. Annual increases are subject to approval by the Board and take into account the cost of living and organisational affordability.

As part of our commitment to fair pay, we aim to ensure the ratio of highest paid employee to lowest paid employee is maintained within acceptable parameters. The current ratio is 3.7: 1 on our regular scales (4.1: 1 when including our interns). Our remuneration procedures, which include our key management personnel, remain broadly competitive within the sector to ensure we can attract and retain the people we need to deliver our strategy. Friends of the Earth does not award bonuses.

## Change Programme and People Strategy

Friends of the Earth commenced a change programme in June 2024 to achieve a more financially sustainable organisation, with a net reduction of 18 employees. This has unfortunately involved making some staff redundant. The programme was implemented with ongoing consultation with the recognised trade union Unite, and headcount reductions were achieved by voluntary means rather than any compulsory measures. This has been a difficult process, but we are confident that the organisation is in an improved financial situation as a result. We are continuing to work through a long-term People Strategy to ensure future resilience and flexibility in our staffing establishment.

## Gender and ethnicity pay gaps

In line with our strong commitment to workplace equality, diversity and inclusion, we produce and publish both our gender and ethnicity pay gaps, which we voluntarily disclose.

### Gender

There has been a slight increase in our median pay gap among full-time staff to 2.59% in favour of male colleagues (2023: 2.51%). This means that men at a median grade are paid on average 2.51% more than female colleagues. For part time staff, we have seen a small increase to 7.68% in favour of female colleagues (2023: 7.6%). Overall, the pay gap still continues to remain in favour of males, though it is continuing to decrease from 1.55% in 2023, down to 0.67% in 2024.

Using the mean (average) hourly rate for comparison, the pay gap for all staff reduced to 3.69% in favour of males (2023: 4.55%). For actual pay received, the gap was higher but has decreased quite significantly from 7.56% in 2023 in favour of males, to 3.64%. For external comparison, Statista reports the average gender pay gap in 2023 at 11.1% in favour of males.

### Ethnicity

Our median ethnicity pay gap for all staff is continuing to improve, and overall is now slightly in favour of staff who identify as non-white at 0.13% (2023: 1.55% in favour of staff identifying as white). For full time staff, however, the situation has reversed from being 7.64% in favour of non-white staff in 2023 to 3.04% in favour of white staff now. For part-time colleagues it was 0.78% in favour of white staff in 2023 and has increased to 4.74% for 2024.

By comparison, using the mean hourly rate as the comparator, the overall ethnicity pay gap at FOE has increased quite significantly to 9.62% in favour of white staff (2023:3.41%). This is comparable to the 2022 gap of 9.96%, reversing our previous trend. In terms of actual pay received, the mean ethnicity pay gap increased from 2.24% to 8.88%.

As ethnicity pay gap reporting is voluntary, external comparisons are more challenging. Available statistics show significant differences between different charities and sectors. In 2023, analysis of available reporting found that of those charities reporting ethnicity pay gaps, the mean ethnicity gap was 5%, in favour of white people (2022:5.9%). The

median ethnicity pay gap had also reduced to 15.3% in favour of white people from 23.3% in 2022.

We are continuing to work to improve diversity of recruitment in as well as looking to support development of staff; we have partnered with the Aziz Foundation and recruited an intern drawn from a Muslim background who commenced employment on 4 March 2024 for a 12 month period.

Our salary structure was due for review in late 2023 as part of a wider review of rewards and recognition. However, due to the change programme referenced above, this project has been delayed until 2025. This review should assist with our continued work to decrease and stabilise both gender and ethnicity pay gaps.

### **Salary quartiles 2023-24**

Set out below our Friends of the Earth's 'pay quartiles', created by organising employees into a list from the lowest paid to the highest paid, then dividing the list into four equal sized groups, or quartiles.

<b>Quartile</b>	<b>Female</b>	<b>Male</b>	<b>White</b>	<b>POC</b>
Lower Quartile	57.14%	42.86%	76.00%	24.00%
Lower Middle Quartile	72.00%	28.00%	94.00%	6.00%
Upper Middle Quartile	54.00%	46.00%	78.00%	22.00%
Upper Quartile	76.00%	24.00%	91.84%	8.16%
<b>Total</b>	<b>65%</b>	<b>35%</b>	<b>85%</b>	<b>15%</b>

### **Equality, diversity & inclusion**

Friends of the Earth commitment to Equity, Diversity, Inclusion (EDI) and Anti-Oppression remains steadfast. 2023-2024 saw us growing our work on EDI by focussing on creating a more inclusive work culture for our staff, focussing on the skills and knowledge needed to empower activists and group members, whilst expanding our reach with partners and supporters on issues related to environmental justice.

For the second year running, we submitted data on racial and ethnic diversity to the Racial Action for the Climate Emergency (RACE) Report, founded by Hindu Climate Action, Nature Youth Connection and Education, South Asians for Sustainability and SOS-UK. Acting as a sector-wide benchmark on diversity, Friends of the Earth is one of 142 submitting organisations, and one of 58 organisations to have submitted repeatedly. We are currently outperforming the sector on all metrics and are committed to our continued participation, allowing us to both benchmark against the sector, and determine internal avenues to focus our support.

Through 2023-24 our EDI Forums successfully launched our new Disability Policy, working collaboratively with EDI staff networks and the Union; completed an accessibility audit and held anti-racism training for our activist network. This training will be rolled out further to Friends of the Earth staff across the autumn, including to our Board and senior management. Additionally, we have formalised four Staff EDI Networks through a new set of 'Terms of Reference', providing continuous support to People of Colour, LGBTQIA+, Disabled, and Women and Non Binary Staff in the organisation. We celebrated Refugee Week in June 2024, both building internal allyship through our series of 'small acts' of solidarity, empowering local groups to take action in their communities, and connecting with organisations advancing migrant justice. Finally, we have been responding to the re-emergence of the far right: our groups are being actively supported to respond to threats in their area by our Nations teams, we have extended solidarity to partner organisations and supported calls by Stand Up to Racism.

### **Plans for 2024-2025**

- Reviewing and updating the EDI Action Plan, reflecting our new organisational and political context, transitioning into an 'anti-oppression' framework.
- Working with the People and Learning & Change teams to become a more neuroaffirmative employer.
- Consolidating support for EDI Staff Networks.
- Introducing EDI Champions at team level.
- Further embedding EDI and anti-oppression within our campaigns and advocacy work.
- Ensuring EDI runs through our long-term organisational plans, by supporting the development of the Audience, Digital, People and International strategies.

## Governance

### Structure, governance and management

Friends of the Earth comprises two separate legal entities operating under a regulated dual structure arrangement. Friends of the Earth Charitable Trust operates in England, Wales and Northern Ireland as a fundraising and grant-making charity. It is regulated by the Charity Commission and is registered with Companies House. During the year, it granted funds for charitable activities to Friends of the Earth Limited, a not-for-profit company with independent directors which undertakes campaigning and activism activity. The two entities share staff, certain resources and a brand, allowing both organisations to achieve their objectives in a cost-effective manner.

The charity is governed by a board of Trustees who meet to determine the strategic direction of the charity. Trustee decisions are made by majority vote at quorate meetings or unanimous decisions without a meeting. The day-to-day implementation of the strategy and running of the charity is delegated to the Executive Director via a delegated authority framework.

Trustees serve a three-year term that can be renewed twice, so that a maximum of nine years can be served. Trustees typically serve two three-year terms and are the company directors and members alongside being Trustees. Trustee recruitment is guided by the overall composition and skills mix of the Board; vacancies are advertised, and a recruitment pack sent to all prospective candidates.

All new Trustees receive a comprehensive induction and an induction pack containing all key governance documentation for the charity as well as copies of Charity Commission guidance including (not exclusively) CC3 “The Essential Trustee”, CC20 on charitable fundraising, the Charity Commission’s trustee welcome pack, guidance on public benefit, guidance on charities connected with non-charities and CC9, and guidance on charities and campaigning. Trustees are also provided with an introduction to the Charity Governance Code. Further training is offered as appropriate on an ongoing basis. During the period, all Trustees received updates on relevant legal and regulatory issues. Trustees are covered by Trustee indemnity insurance under a continuing cover policy.

The Board of Trustees normally meets four times a year and has as its principal roles determining mission, policy and strategy and monitoring its own and grantee performance.

## Risk management

The Executive Director and Trustees, working closely with their respective teams, have identified the risks to which the organisation may be exposed and ranked these by significance and likelihood. Material risks, together with current mitigation actions, are reviewed each quarter by Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties facing the charity moving forward are as follows:

Area	Mitigation
The continued challenging economic context, coupled with an over reliance upon existing income streams, affects our ability to fundraising effectively and fulfil our objects.	<ul style="list-style-type: none"> <li>• Continual monitoring of the reach and results of our fundraising campaigns.</li> <li>• Implementation of the recommendations from our external review of income generation.</li> </ul>
Investment in significant IT and change projects do not bring expected benefits or brings liability risks to the organisation.	<ul style="list-style-type: none"> <li>• Close SLT and Trustee oversight of the new CRM project and other change programmes.</li> <li>• Subject matter experts and advocates from core teams across the organisation are in place to inform design, participate in testing and support with training.</li> </ul>
Organisation faces losses or reputational damage due to fraudulent activity, including cyber-attack.	<ul style="list-style-type: none"> <li>• We mitigate against the growing risk of fraud and cyber-attack through robust IT and internal financial controls.</li> <li>• We increasingly manage data on a large scale and are dependent on third parties to work on our behalf. We perform due diligence reviews on those we contract to and will continue to review our practice in this area.</li> </ul>

## Our policies

### Internal controls

The Board recognises its responsibility for ensuring we have a robust system of internal controls in place, as appropriate to the charity. We have policies in place for Risk Management, Anti-Fraud, Internal Controls, and Whistleblowing. Our Board meets with our external auditor without management present at least annually. A regular programme of health and safety reviews across our offices provides internal assurance on compliance with our statutory obligations.

### Safeguarding

Friends of the Earth recognises its responsibility to ensure we protect adults and children we work with from harm. All staff and Trustees are bound by the Friends of the Earth Safeguarding Policy, which is regularly reviewed. We have robust procedures in place to safeguard and protect both children and adults who come into contact with Friends of the Earth, including risk assessment and incident reporting procedures.

A staff Safeguarding Committee meets quarterly to share learning and best practice, and a network of designated safeguarding leads (DSLs) is in place across the organisation to respond to any queries or concerns. Both Trustees and the Senior Leadership Team have a designated member for safeguarding. All staff and Trustees are required to complete mandatory training on safeguarding adults and young people.

### Environmental

Friends of the Earth is committed to practising what we preach. Alongside our Cycle to Work scheme, our Climate Perks policy provides staff with up to two days of paid annual leave per year if they opt for more carbon friendly travel options when on holiday. Other environmental policies include our Travel Policy, which encourages active travel and prohibits short haul flights unless the carbon emissions are demonstrably lower than other modes of transport, and our policy that our offices use 100% renewable energy. We have signed up to a salary sacrifice scheme, so that staff members can get taxation benefits on electric vehicles.

We have an Environmental Working Group made up of colleagues from across business functions, looking at best practice, metrics and new initiatives. We have reduced printing across our office operations and use only recycled and recyclable paper products. In our marketing, we operate specific policies around the sourcing of materials and our choice of supply chains. We source environmentally friendly cleaning products and use materials that are as sustainable as possible in any office refurbishments, and only use licensed and appropriate organisations to dispose of waste. With the change to hybrid working comes a shift in environmental impact, with fewer hours spent commuting and less office-based energy use.

## **Disclosure of information to auditors**

As far as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

## **Trustees' responsibilities**

The Trustees (who are also directors of Friends of the Earth Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

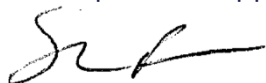
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP and FRS102.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Auditors**

Crowe UK LLP have indicated their willingness to continue in office and offer themselves for re-appointment in accordance with the Companies Act 2006.

This report was approved by the Trustees and signed on their behalf.



### **Sian Ferguson**

Chair

Friends of the Earth Charitable Trust

09 December 2024

## Independent Auditor's Report to the Members and Trustees of Friends of the Earth Charitable Trust

### Opinion

We have audited the financial statements of Friends of the Earth Charitable Trust ('the charitable company') for the year ended 30 June 2024 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including 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 30 June 2024 and of 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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.

### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
  - the financial statements are not in agreement with the accounting records 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
- Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, 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.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations, General Data Protection Regulation (GDPR) and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements,

the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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,. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*N. Hashemi*

Naziar Hashemi  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor

London

Date: 13 December 2024

## Statement of Financial Activities

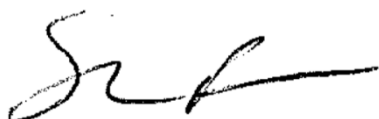
		Unrestricted Funds	Restricted Funds	2024	2023
	Notes	£	£	£	£
<b>Income</b>					
Grants, donations and legacies	2	13,654,399	1,228,233	14,882,632	12,721,558
Other trading activities	3	29,679	-	29,679	27,991
Investments	4	38,410	-	38,410	17,244
<b>Total Income</b>		<b>13,722,488</b>	<b>1,228,233</b>	<b>14,950,721</b>	<b>12,766,793</b>
<b>Expenditure</b>					
Raising funds		2,561,388		2,561,388	2,676,635
Charitable activities	5,6	10,036,554	1,219,217	11,255,771	10,815,584
<b>Total expenditure</b>	<b>7-10</b>	<b>12,597,942</b>	<b>1,219,217</b>	<b>13,817,159</b>	<b>13,492,219</b>
<b>Net movements in funds</b>		<b>1,124,546</b>	<b>9,016</b>	<b>1,133,562</b>	<b>(725,426)</b>
<b>Funds brought forward</b>		2,690,612	259,746	2,950,358	3,675,784
<b>Funds carried forward</b>	<b>21</b>	<b>3,815,158</b>	<b>268,762</b>	<b>4,083,920</b>	<b>2,950,358</b>

## Balance Sheet as at 30 June

		2024	2023
	Notes	£	£
<b>Fixed Assets</b>			
Intangible fixed assets	12	1,823,885	1,300,227
Tangible fixed assets	13	96,031	84,104
Investment property	14	520,000	-
Investments			248,029
		<b>2,439,916</b>	<b>1,632,360</b>
<b>Current Assets</b>			
Current asset investments	15	248,785	-
Debtors	16	1,087,149	596,900
Short term deposits and cash in hand		1,128,780	1,636,075
		<b>2,464,714</b>	<b>2,232,975</b>
<b>Current Liabilities</b>			
Creditors	17	(626,867)	(714,977)
Provisions	18	(193,843)	(200,000)
		<b>(820,710)</b>	<b>(914,977)</b>
<b>Net Current Assets</b>		<b>1,644,004</b>	<b>1,317,998</b>
<b>Net Assets</b>		<b>4,083,920</b>	<b>2,950,358</b>
<b>Funds</b>			
Unrestricted general funds		1,284,732	1,778,687
Designated Funds	20	2,530,426	911,926
Restricted funds	19	268,762	259,745
<b>Total Funds</b>	21	<b>4,083,920</b>	<b>2,950,358</b>

The surplus for the financial year dealt with in the financial statements was £1,133,562.

The accounts on pages 29 to 47 were approved and authorised by the Trustees on 09 December 2024 and were signed on their behalf,



Sian Ferguson  
Chair and Trustee  
09 December 2024

## Statement of Cash Flows

	<b>2024</b>	<b>2023</b>
<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
<i>Net cash provided from operating activities</i>	69,655	272,604
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	38,410	17,244
Purchase of property, plant and equipment	(91,702)	(12,048)
Purchase of intangibles	(523,658)	(741,684)
<b><i>Net cash from investing activities</i></b>	<b>(576,950)</b>	<b>(736,488)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(507,295)</b>	<b>(463,884)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,636,075</b>	<b>2,099,959</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,128,780</b>	<b>1,636,075</b>
Reconciliation of net income to net cash from / (used in) operating activities		
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Net (deficit) / surplus for the year	1,133,562	(725,426)
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(38,410)	(17,244)
Depreciation charges	79,775	114,290
Decrease / (increase) in debtors	(490,249)	496,693
Increase in creditors	(94,267)	404,291
Donation of investment property	(520,000)	-
Other movements	(756)	-
<b>Net cash provided from operating activities</b>	<b>69,655</b>	<b>272,604</b>
Analysis of cash and cash equivalents		
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,128,780	1,636,075

## Notes to the Accounts

### 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **Basis of preparation**

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

Friends of the Earth Charitable Trust meets the definition of a public benefit entity under FRS 102 as set out on page 9.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant account policy notes.

This charity works closely with its sister company Friends of the Earth Limited. As at the balance sheet date, the boards of the two companies are separately controlled and no consolidation takes place in reflection of this arrangement.

#### **Preparation of accounts on a going concern basis**

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern for the foreseeable future. There are no material uncertainties about the charity's ability to continue in operational existence.

As part of our going concern review, we have ensured that free reserves will be maintained at between 2 and 4 months expenditure, as per the reserves policy, for the foreseeable future.

#### **Accounting judgements and estimates**

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions that affect the carrying value of assets, liabilities that are not readily apparent from other sources. The estimates and the assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## Notes to the Accounts – cont.

### Accounting judgements and estimates – cont.

The items in the accounts that are considered to involve critical judgements and sources of uncertainty through estimation, when applying FOECT accounting policies include:

- Revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note below from donors and for legacy income.
- Cost allocation methodology requires judgement as to the most appropriate bases to use to apportion overheads and governance costs between raising funds and the charitable expenditure.
- Expenditure relating to the development of the new CRM system has been capitalised as work in progress under fixed assets from the start of the project.
- The provision for costs associated with the reinstatement of leasehold properties at the end of the term of the lease.
- Investment Properties – Properties are revalued regularly using market experts.

### Income recognition

All income is recognised in the statement of financial activities. Once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably. Unrestricted income is available for expenditure approved by the board. Restricted income is available for expenditure in accordance with the purpose specified by the donor.

### Donations and legacies

These are included in full in the statement of financial activities. When there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Pecuniary legacies are recognised when probate has been obtained and there is no evidence of insufficient assets. Residuary legacies are recognised when probate has been obtained, estate accounts approved or an interim distribution approved by executors and there are no outstanding claims against the estate.

### Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

### Grants

Grants are recognised in full in the statement of financial activities. In the period in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

## Notes to the Accounts – cont.

### **Income from charitable activities**

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

### **Investment income**

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

#### **Cost of raising funds**

Includes costs incurred in seeking voluntary donations, as well as those incurred in recruiting new financial supporters. It does not include the costs of disseminating information in support of the charitable activities.

#### **Expenditure on charitable activities**

Comprises all direct costs incurred in pursuance of the Trust's objectives, as well as the costs of disseminating information in support of the charitable activities, allocated costs and support costs. Allocated costs are those of capacity building and regional networks that are directly working towards achieving our aims. Support costs comprise those services provided centrally that are identifiable in support of direct charitable purposes, including staff, IT, premises, facilities and other office costs.

Irrecoverable VAT is charged as a cost to the organisation.

#### **Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

#### **Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

## Notes to the Accounts – cont.

### Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the statement of financial activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the statement of financial activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

### Fixed assets

Fixed assets are based on the substance of the asset rather than the value and stated at deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses with a de-minimis limit of £100 on the cost of the asset. Assets are depreciated in equal annual instalments over their estimated useful lives as follows:

Fixtures, fittings and leasehold improvements	Over the term of the lease
Furniture	10 years
Office equipment	4 years
Computers	3 years
Computer software	4 years

### Investment Property

Investment property is stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations in the year. The properties in the portfolio are revalued by a professional valuer who is qualified for the purposes required, based on market knowledge, at least every three years. Losses arising on revaluation of any property are recognised in other income to the extent of any previously recognised revaluation increases in respect of that asset. Any gains on revaluation are recognised in other income only when the charity has discretion over the timing of the asset's disposal.

### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## Notes to the Accounts – cont.

### Cash at bank and in hand

Cash at bank and cash 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.

### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

### Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees for the objects of the charity. Restricted funds are those that are to be used according to specific instructions imposed by donor or trust deed. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

### Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Friends of the Earth operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Friends of the Earth Charitable Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

### Foreign currency translation

The charity's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the statement of financial activities.

### Legal status

Friends of the Earth Charitable Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

## Notes to the Accounts – cont.

### 2 Income from donations and legacies

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Gifts and Donations (a)	8,220,680	7,709,395
Legacies (b)	3,264,456	1,759,010
Grants - Postcode Earth Trust (c)	3,100,000	3,000,000
Donated services and goods (Gifts in Kind) (d)	253,394	205,968
Other	44,102	47,185
<b>Total</b>	<b><u>14,882,632</u></b>	<b><u>12,721,558</u></b>

(a) Included within Gifts and Donations are £1,228,233 of restricted grants and donations (2022-23: £1,017,555).

(b) As at 30 June 2024 we have £4,197,250 (2022-23: £3,681,159) of legacies in the pipeline that do not meet the criteria for income recognition as set out in the accounting policy.

(c) During the year we received a grant of £3.1m from the Postcode Earth Trust, which receives all of its funding from People's Postcode Lottery (2022-23: £3.0m).

(d) We continued to receive a gift in kind for our search engine advertising from Google Ireland.

### 3 Income from other trading activities

The donations received as a result of the community events organised by Friends of the Earth Limited were £29,679 (2022-23: £27,991).

### 4 Income from investments

Investment income was bank interest of £14,470 (2022-23: £16,599), dividends of £1,693 (2022-23: £645) and investment property rental income of £22,247 (2022-23: £0).

## Notes to the Accounts – cont.

### 5 Analysis of direct charitable expenditure

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Grants given (a)	9,192,894	8,816,163
Support costs	1,809,483	1,793,453
Gifts in Kind	253,394	205,968
<b>Charitable activities</b>	<b>11,255,771</b>	<b>10,815,584</b>

(a) Grants given includes the grant of £9,035,000 given to Friends of the Earth Ltd (2022-23: £8,800,000) with the balance grants provided to other organisations.

### 6 Analysis of support costs

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Finance	1,789,443	1,769,858
Governance	20,040	23,595
	<b>1,809,483</b>	<b>1,793,453</b>

Governance costs include:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Board meetings, training, recruitment and Trustees expenses	1,022	104
Audit Fee	13,900	13,550
Legal & professional costs including Indemnity Insurance	5,118	9,941
	<b>20,040</b>	<b>23,595</b>

## Notes to the Accounts – cont.

### 7 Employee costs

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Salaries	1,426,839	1,266,468
National Insurance	130,008	125,512
Pension	75,112	63,602
	<b><u>1,631,959</u></b>	<b><u>1,455,582</u></b>

Employees are jointly employed with Friends of the Earth Limited and employee costs above represent Friends of the Earth Charitable Trust's share of employee costs corresponding to fundraising activity undertaken for the Charitable Trust by those jointly employed members of staff. The disclosures below are in relation to the jointly employed staff across both entities.

The average number of employees during the period was 201 (2022-23: 211). Friends of the Earth operates a Group Personal Pension Plan for the benefit of its employees. This is a defined contribution scheme and is administered separately from the Charitable Trust. In 2023/24 the Charitable Trust matched contributions made by employees up to 7% of their salary (2022-23: 7%) and these costs are charged to the statement of financial activities as incurred.

All of the members of staff with emoluments in excess of £60,000 were jointly employed by Friends of the Earth Charitable Trust and Friends of the Earth Limited and their salary costs were split between them according to time spent. The table below shows the range of total emoluments received by higher paid staff. Emoluments include gross pay, taxable benefits and benefits in kind.

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Number of employees who earned		
- between £60,000 and £69,999	9	6
- between £70,000 and £79,999	4	4

The Trustees consider that the senior management team are the key management personnel of the charity running and operating the charity on a day-to-day basis. These staff included the 2 x Joint Co-Executive Directors, Director of Finance & Operations, Director of Income Generation, Director of Policy, Advocacy and Campaigns, Director of Communities and Networks and the Director of Engagement. The total emoluments paid to the seven senior management posts under their joint contracts of employment were £793,880 (2022-23: £589,166).

## Notes to the Accounts – cont.

### 7 Employee costs – cont.

The Trustees' policy is to benchmark all staff salaries to the median point of the range for similar roles in similar charities of similar sizes. This includes the senior management team.

### 8 Analysis of total expenditure

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
The surplus for the year is after charging:		
Depreciation	79,775	114,290
Auditors – audit fees	13,900	13,550
Irrecoverable VAT	414,020	428,197
Payments under operating leases (note 11)	574,870	574,870

### 9 Trustees' remuneration and expenses

Trustees are not allowed to be paid for their services nor may they be paid employees. No Trustees have any interests in the company. During 2023-24 there was reimbursement of Board related travel expenses for Trustees of £1,022 (2022-23: £104).

### 10 Corporation tax

Friends of the Earth Charitable Trust is a registered charity and as such can claim exemption from corporation tax on its income under Part 11 of the Corporation Taxes Act 2010 and on its capital gains under section 257 of the Taxation of Chargeable Gains Act 1992.

### 11 Operating leases

The company leases property on short-term leases. Payments made on these leases were £574,870 (2022-23: £574,870) and are subject to re-negotiation at various intervals specified in the leases. The total commitments remaining, up to the break clause, are as follows:

## Notes to the Accounts – cont.

### 11 Operating leases – cont.

#### Operating leases

	2024	2023
Payments due:	£	£
Not later than one year	407,227	430,137
Later than one year and not later than five years	535,364	653,214
Total	<u>942,591</u>	<u>1,083,351</u>

### 12 Intangible fixed assets

	Work in Progress new CRM system	Computer Software	Total Intangible Assets
Cost	£	£	£
Balance at 1 July 2023	1,300,227	129,704	1,429,931
Additions	523,658	-	523,658
Disposals	-	(20,511)	(20,511)
Balance at 30 June 2024	<u>1,823,885</u>	<u>129,704</u>	<u>1,933,078</u>
<b>Depreciation</b>			
Balance at 1 July 2023	-	129,704	129,704
Charge in the period	-	-	-
Disposals	-	(20,511)	(20,511)
Balance at 30 June 2024	<u>-</u>	<u>109,193</u>	<u>109,193</u>
<b>Net Book Value</b>			
<b>At 30 June 2024</b>	<u>1,823,885</u>	<u>-</u>	<u>1,823,885</u>
<b>At 30 June 2023</b>	<u>1,300,227</u>	<u>-</u>	<u>1,300,227</u>

## Notes to the Accounts – cont.

### 12 Intangible fixed assets – cont.

CRM system work in progress represents costs toward the development of a new CRM system replacing the previous system Care, and was brought into use organisation-wide in autumn 2024.

### 13 Tangible fixed assets

	Leasehold Improvements	Fixtures, fittings and Office Furniture	Computer and Office Equipment	Total Tangible Assets
Cost	£	£	£	£
Balance at 1 July 2023	1,007,981	185,752	54,689	1,248,422
Additions	63,366	28,336	-	91,702
Disposals	-	-	(25,187)	(25,187)
Balance at 30 June 2024	1,071,347	214,088	29,502	1,314,937
<b>Depreciation</b>				
Balance at 1 July 2023	939,318	170,311	54,689	1,164,318
Charge in the period	70,008	9,767	-	79,775
Disposals	-	-	(25,187)	(25,187)
Balance at 30 June 2024	1,009,326	180,078	29,502	1,218,906
<b>Net Book Value</b>				
<b>At 30 June 2024</b>	<b>62,021</b>	<b>34,010</b>	-	<b>96,031</b>
<b>At 30 June 2023</b>	<b>68,663</b>	<b>15,441</b>	-	<b>84,104</b>

## Notes to the Accounts – cont.

### 13 Tangible fixed assets – cont.

The Trust also owns approximately one acre of woodland, near Bathampton, which lies within an area of special scientific interest and is managed by Bath and Somerset Wildlife Trust. The land was assessed as having a fair value of nil when it was donated.

### 14 Investment property

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Market value at 1 July 2023	-	-
Additions	520,000	-
Market value at 30 June 2024	520,000	-

Two investment properties are held arising from a legacy donation.

### 15 Investments

We hold a shareholding of 1,200 in the Triodos Renewables fund, given to us as part of a legacy, held at £2.43 per share. In 2013-14, we invested in 5,869 shares from Spirit of Lanarkshire Energy Co-op at £1 per share, offered to the public to fund development of a wind farm. In 2015-16 we invested £200,000 in an Ecobond, from Ecotricity for building new sources of green energy, receiving 6% annual interest. In 2017-18, we invested in shares worth £40,000 (21.6% share) in Friends of the Earth (Birmingham) Limited. These are held at cost as there is no active market. As these investments could be sold if necessary, and within a reasonable timeframe, they have been reclassified from fixed assets to current assets in year.

### 16 Debtors

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade debtors	23,533	4,337
Income tax recoverable (Gift Aid on donations received)	594,917	258,110
Prepayments and accrued income	437,228	321,400
Other debtors	31,471	13,053
	<b><u>1,087,149</u></b>	<b><u>596,900</u></b>

## Notes to the Accounts – cont.

### 17 Creditors due within one year

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors	236,350	344,434
Accruals	361,265	536,175
Other creditors	29,252	34,368
	<b>626,867</b>	<b>914,977</b>

### 18 Provisions

	<b>Balance at 1 July 2023</b>	<b>Provided in year</b>	<b>Utilised in year</b>	<b>Balance at 30 June 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Dilapidations	200,000	17,500	(100,000)	117,500
Redundancy	-	76,343	-	76,343
	<b>200,000</b>	<b>93,843</b>	<b>(100,000)</b>	<b>193,843</b>

The dilapidations provision has been updated in line with the renewed leases.

The redundancy provision relates to costs committed in the 2023-4 financial year which are expected to be paid out in the following year.

## Notes to the Accounts – cont.

### 19 Restricted funds

#### Restricted funds (2023-24)

	Balance			Balance
	1 July	Income	Expenditure	30 June
	2023			2024
	£	£	£	£
Co-Op Postcode Gardener	-	324,728	220,850	103,878
Nature/Environment -inc Big Give Green	-	266,159	252,012	14,147
Climate & Energy- Big Give	-	177,015	177,015	-
Climate & Energy - General	-	122,193	122,193	-
Esmee Fairbairn - My World My Home	57,778	66,666	80,000	44,444
NI Lottery Fund - MWMH	-	63,091	48,970	14,121
Phil Michaels' Legal Intern Fund	38,050	55,360	52,606	40,804
Climate -Whitehaven	-	35,000	35,000	-
Oak Foundation - EU	-	26,180	24,465	1,715
Climate & Energy - Net Zero Legal Case	-	22,570	22,570	-
Near You - John Bell donation re 1year FTC	26,561	12,500	39,061	-
Climate - Net Zero/Warm Homes	14,279	12,000	26,279	-
Deregulation/ERA	-	11,313	11,313	-
General Election	-	10,375	10,375	-
Aziz Foundation	-	9,000	8,947	53
ECF -Fossil Free Work	(8,463)	8,463	-	-
Legal	-	4,495	4,495	-
Northern Ireland	-	1,125	1,125	-
Sainsbury's - Divestment	84,878	-	48,619	36,259
Oak Foundation - NI sewage work	28,913	-	19,935	8,978
Oak Foundation - NI other work	17,750	-	13,387	4,363
Julia Davies - Plastics (inc Gift Aid)	1	-	1	-
<b>Total</b>	<b>259,746</b>	<b>1,228,233</b>	<b>1,219,217</b>	<b>268,762</b>

Restricted funds are received to fund specific pieces of work – most commonly a specific campaigning strand.

## Notes to the Accounts – cont.

### 19 Restricted funds – cont.

#### Restricted funds (2022-23)

	<b>Balance</b>			<b>Balance</b>
	<b>1 July</b>	<b>Income</b>	<b>Expenditure</b>	<b>30 June</b>
	<b>2022</b>			<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Nature/Environment (inc Big Give Green)	-	217,861	217,861	-
Climate - Big Give	-	155,768	155,768	-
Climate - Net Zero/Warm Homes	114,423	145,655	245,799	14,279
-Divest UK – The Climate Change Collaboration	75,750	89,551	80,423	84,878
Esmee Fairbairn - My World My Home	44,445	86,667	73,334	57,778
Near You - John Bell donation re 1year FTC	-	50,000	23,439	26,561
Phil Michaels' Legal Intern Fund	34,732	49,515	46,199	38,048
Climate -Whitehaven (not ECF)	-	46,584	46,584	-
Oak Foundation - NI sewage work	-	37,000	8,087	28,913
Climate - General/CAPS	-	35,000	35,000	-
ECF -Fossil Free Work	-	34,162	42,625	(8,463)
Climate - Fracking/Fossil Free (inc Coasts appeal)	-	26,617	26,617	-
Oak Foundation - NI other work	-	18,750	1,000	17,750
Deregulation	-	12,565	12,565	-
Environment Bill	-	8,000	8,000	-
Legal	-	3,860	3,860	-
Julia Davies - Plastics (inc Gift Aid)	2,673	-	2,672	1
Richard Sandbrook - CYS Mentoring	7,159	-	7,159	-
<b>Total</b>	<b>279,182</b>	<b>1,017,555</b>	<b>1,036,992</b>	<b>259,745</b>

## Notes to the Accounts – cont.

### 19 Restricted funds – cont.

The restricted funds were received for the following charitable activities. The other restricted income included grants broadly restricted to our programmes.

	<b>2024</b>	<b>2023</b>
<b>Charitable Activities</b>	<b>£</b>	<b>£</b>
Climate	377,241	541,337
Nature	770,637	391,528
Other	80,355	84,690
	<u><b>1,228,233</b></u>	<u><b>1,017,555</b></u>

### 20 Designated funds

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
New Customer Relationship Management (CRM) system	550,000	550,000
Fundraising Investment Fund	90,510	306,926
Strategic projects including 10x Greener	-	55,000
Fixed Asset reserve	1,369,916	-
Investment property reserve	520,000	-
	<u><b>2,530,426</b></u>	<u><b>911,926</b></u>

The Trustees have designated unrestricted funds as follows:

(a) Customer Relationship Management (CRM) software - this fund was established in 2021 to offset depreciation of the software from launch in autumn 2024.

(b) Fundraising Investment Fund – originally established in 2021 with a sum of £500k this is being used to develop an income generation strategy to provide investments in pilots and resourcing new initiatives. The remaining funds are planned to be spend in 2024-5.

(c) Fixed asset reserve – this fund was created in 2023-24 given the increase in the level of fixed assets held over recent years, and corresponds to the net book value of fixed assets held, less the net book value of fixed assets already covered by other designated or restricted funds

## Notes to the Accounts – cont.

### 20 Designated funds – cont.

(d) Investment property reserve - this fund was created in 2023-24 and represents the value of two tenanted properties bequeathed to FOECT. These funds represent a commitment as due to the wishes of the legator, the funds are not freely available until such time as the tenants leave.

### 21 Analysis of net assets between funds

#### Analysis of net assets between funds (2023-24)

	Unrestricted funds £	Restricted funds £	Total Funds £
Fixed Assets	2,439,916	-	2,439,916
Net current assets	1,375,242	268,762	1,644,004
	<b>3,815,158</b>	<b>268,762</b>	<b>4,083,920</b>

#### Analysis of net assets between funds (2022-23)

	Unrestricted funds £	Restricted funds £	Total Funds £
Fixed Assets	1,632,360	-	1,632,360
Net current assets	1,058,253	259,745	1,317,998
	<b>2,690,613</b>	<b>259,745</b>	<b>2,950,358</b>

### 22 Liability of members

In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. At 30 June 2024 the number of members was 4 (2022-23: 8).

### 23 Related Party Transactions

There were no related party transactions in the period.

## Notes to the Accounts – cont.

### 24 Comparative Statement of Financial Activities 2022-23

	Unrestricted Funds	Restricted Funds	2023
	£	£	£
<b>Income</b>			
Grants, donations and legacies	11,704,003	1,017,555	12,721,558
Other trading activities	27,991	-	27,991
Investments	17,244	-	17,244
<b>Total Income</b>	<b>11,749,238</b>	<b>1,017,555</b>	<b>12,766,793</b>
<b>Expenditure</b>			
Raising funds	2,676,635	-	2,676,635
Charitable activities	9,778,593	1,036,991	10,815,584
<b>Total expenditure</b>	<b>12,455,228</b>	<b>1,036,991</b>	<b>13,492,219</b>
<b>Net movements in funds</b>	<b>(705,990)</b>	<b>(19,436)</b>	<b>(725,426)</b>
<b>Funds brought forward</b>	3,396,602	279,182	3,675,784
<b>Funds carried forward</b>	<b>2,690,612</b>	<b>259,746</b>	<b>2,950,358</b>

**FRIENDS OF THE EARTH CHARITABLE TRUST**

England & Wales - Charity number 281681

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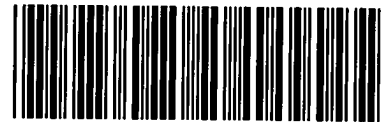
# Accounts

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# **Friends of the Earth Charitable Trust Report and Accounts for the year ending 30 June 2023**

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## **Contents**

<b>Reference and administrative details</b>	<b>3</b>
<b>About Friends of the Earth</b>	<b>4</b>
<b>Chair's statement</b>	<b>5</b>
<b>Co-Executive Directors' statement</b>	<b>6</b>
<b>Trustees' and Strategic Report</b>	<b>7</b>
- Our object and activities	7
- Our achievements in 2022-23	9
- Our plans for 2023-24	12
- Fundraising review	13
- Financial review	14
- Our people	17
- Governance, structure and risks	20
<b>Independent Auditor's Report</b>	<b>25</b>
<b>Statement of Financial Activities</b>	<b>29</b>
<b>Balance Sheet</b>	<b>30</b>
<b>Statement of Cash Flows</b>	<b>31</b>
<b>Notes to the Accounts</b>	<b>32</b>

## Reference and administrative details

Friends of the Earth Charitable Trust is a company limited by guarantee (registered 10 December 1980), not having a share capital, and is also a registered charity (registered 6 January 1981) governed by its memorandum and articles of association.

**Company Registration Number:** 01533942  
**Registered Charity Number:** 281681  
**Registered office:** The Printworks  
1st Floor, 139 Clapham Road  
London, SW9 0HP  
**Country of incorporation:** England and Wales

### Trustees

The Trustees, who are the Directors of the charity for the purposes of the Companies Act, and held office during the period were:

Frances Butler (Λ) (resigned 31 October 2023)  
Beverley Downes (appointed 1 June 2023)  
Nicholas Eldred (appointed 1 June 2023)  
Gillian Fawcett (Interim Chair to June 2023)  
Sian Ferguson (Chair; appointed 1 June 2023)  
Sandy Hore Ruthven (appointed 1 June 2023, resigned 22 November 2023)  
Louisa K Hand  
Melanie Oley

(Λ) Director of Friends of the Earth Limited

**Co-Executive Directors:** Hugh Knowles and Miriam Turner

**Company Secretary:** Helen Ashley Taylor

The day-to-day management is delegated to the Co-Executive Directors, the Senior Leadership Team (made up of employees selected for their expertise in the various activities of the organisation) and the Trust's other staff. The charity has its own Trust Director who serves as company secretary to the Board of Trustees, supporting with meetings and charity governance matters affecting the Trust. The Trust Director reports to the Chair and the Trustees and has no other role in the charity or any of its grantees.

### Auditor

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

### Bankers

Co-operative Bank plc  
Manchester Business  
Centre  
1 Balloon Street  
Manchester  
M60 4EP

### Solicitors

Bates Wells & Braithwaite  
10 Queen Street Place  
London  
EC4R 1AG

## **About Friends of the Earth**

The natural world has experienced unprecedented disruption in recent years. And it is people as well as the environment that suffer as a result.

For over 50 years, Friends of the Earth has been dedicated to the protection of the natural world and the wellbeing of everyone in it. Our international community brings together more than two million people in 73 countries, combining people power all over the world to make an even greater difference and transforming local actions into global impact.

We fund campaigns, provide resources and information and promote alternative solutions to create a cleaner, healthier and fairer world for everyone, for today and for generations to come.

In the UK, Friends of the Earth has been responsible for making recycling not just a household word, but a household habit. We successfully campaigned for the world's first climate change law, the Climate Change Act 2008, which paved the way for similar legislation around the world. Our combined strength has meant we have been able to push back against drilling for fossil fuels and ensure legal protection from pesticides for bees, we continue the fight against climate change.

Working together with local groups, experts, business leaders and politicians we push for change around the issues and causes that matter to you – protecting your home and local environment, promoting safe and healthy food and water across the globe and supporting alternative energy solutions that can change the world for the better. Whether you are a first-time supporter or a seasoned campaigner, we're with you every step of the way, supporting communities, defending human rights, protecting nature, moving mountains.

Together with us your voice is louder, your actions more significant and your impact greater. Together with you, we are determined to change the world for good.

## **Chair's statement**

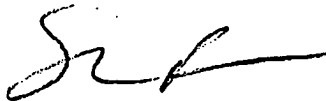
This is my first statement as Chair, having joined the Board in June 2023, and it has been a joy to learn more about the hard work and dedication of everyone across the organisation and the wider Friends of the Earth network.

Over the year, the Charitable Trust has made grants to fund activities to bring about the changes we need to see. Activities such as engaging young and marginalised campaigners, supporting communities to challenge new, dangerous and unnecessary fossil fuel projects, and bringing people together in powerful coalitions for warm homes that don't cost the earth.

This year we welcomed four new Trustees to the Board: myself, Nicholas Eldred, Sandy Hore-Ruthven and Beverley Downes. We are privileged to join such a dedicated Board and look forward to working together as part of the wider Friends of the Earth family. I would like to take this opportunity to thank Gillian Fawcett for her contributions and impact whilst serving as Interim Chair, which were hugely valued by the Board.

My fellow Trustees and I would also like to acknowledge and thank our supporters who have continued to make our work and impact possible. We are incredibly grateful to our individual and major donors, to the People's Postcode Lottery and the trusts and foundations who supported us. We are delighted to have started a new partnership with the Co-operative Bank to restore nature-deprived spaces across the country and thank them for their support for this important work.

Looking ahead, we will strive to ensure that the Charitable Trust does all that it can to support a better future for us all.



**Sian Ferguson**  
**Chair and Trustee**  
**Friends of the Earth Charitable Trust**

## **Co-Executive Directors' statement**

This has been another year of mounting evidence of the worsening environmental crisis that continues to shape our collective future. From the wildfires burning through Europe, to the news that 4,500 people died from heat-related causes in 2022, the most ever recorded in a single year, it is clearly imperative that we take action on climate now.


Yet the glaring reality is, that despite the urgency, those in power have too often fallen short of their responsibilities. The government has sought to bring in authoritarian anti-protest legislation and back down on its Net Zero commitments, whilst failing to invest in renewables. Corporations have reaped eye-wateringly exorbitant profits on fuels whilst people at home suffered in poorly insulated homes, saddled with mammoth bills. The scale and complexity of the issues, and the media and political landscape, can feel overwhelming. It is crucial to remember that our collective efforts make a difference in holding those in power accountable and driving the change we so desperately need.

Within this context, the work of Friends of the Earth Charitable Trust is more important than ever. We are incredibly grateful to our supporters, donors and partners, including the People's Postcode Lottery and its players, and everyone in the movement alongside us. Without them we cannot continue to fight and to win for the climate. The Trust fulfils its charitable purpose by funding organisations and groups that enable us to make change and protect the environment, predominately Friends of the Earth Limited.

Highlighting just some of our funded achievements this year:

- The United for Warm Homes campaign launched. This is a multi-year campaign, calling for urgent support for people dealing with sky-high energy bills, a new emergency programme to insulate our heat-leaking homes, and an energy system powered by cheap and green renewables.
- Friends of the Earth Limited won a landmark victory at the start of the year, when the High Court ruled that the Net Zero Strategy is unlawful and ordered the government to revise its strategy.
- We have supported some fantastic interventions in England, Wales and Northern Ireland. From defeating the Ffos y Fran opencast coal mine in Cymru, to challenging oil drilling in Horse Hill, the proposed Whitehaven coal mine in Cumbria and the digging of huge gas storage caves under Larne Lough in Northern Ireland.

The next year we will continue to ensure that fossil fuels have no place in our future, and ensure that the decarbonisation of heat prioritises those in fuel poverty. We will work to fund projects to help communities benefit from thriving nature in their local areas, and continue to raise awareness of the climate emergency and the urgency of the need for action.



**Hugh Knowles and Miriam Turner**  
**Co-Executive Directors**

## **Trustees' and Strategic report**

The Trustees are pleased to present their Trustees' and strategic report, together with the financial statements, for the year ending 30 June 2023. The financial statements comply with current statutory requirements, the memorandum and Articles of Association and the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities (FRS 102).

### **Our objects and activities**

#### **Our purposes and aims**

Friends of the Earth Charitable Trust is dedicated to achieving the following charitable objectives:

- The conservation, protection and sustainable use for the public benefit of the Earth's natural environment, including biodiversity, atmosphere, water, land and natural resources.
- The advancement of education for the public benefit and, in particular, the advancement of education in ecology, natural history, resource conservation, sustainable development and environment studies.
- The promotion of sustainable development for the benefit of the public by
  - (i) the preservation, conservation and the protection of the environment and the prudent use of natural resources; and
  - (ii) conducting or commissioning research and publishing the results of such research

'Sustainable development' means improving the quality of life while living within the carrying capacity of supporting ecosystems and the natural environment.

We aim to achieve these objects by funding work that falls within the confines of this remit. This report sets out how these objects were achieved in the year ending 30 June 2023, the proposals for the fulfilment of the charitable objects during 2023-24 and how we plan to fulfil the charitable objects for the public benefit in future years.

In conducting its objects for the public benefit, Friends of the Earth Charitable Trust continues its long-term association with other Friends of the Earth environmental groups, both locally and internationally, in order to increase the effectiveness of its charitable work for the public benefit. This association is acknowledged within the Articles of Association that govern the charitable company.

### **Our grant making policy**

All work funded by the Trust must fall within the charitable objects stated above and must comply with all legal and regulatory requirements for UK registered charities. We fulfil our charitable objects for the public benefit by providing grant funding to organisations with aligned purposes and aims. Trustees regularly review the most effective ways to further the charity's objects for the public benefit. Trustees agree the primary funding areas for each year and retain complete discretion to approve or reject any grant application. The Trustees aim to diversify the range of grantees to which it provides grant funding in future years.

The Trust has grant monitoring procedures in place to ensure that all charitable funds are spent solely on charitable activities to further the charitable objects in accordance with the conditions attached to the grant in the written grant agreement.

### **Public Benefit Statement**

The Trustees recognise that the work of the charity seeks to provide long-term public benefit that will support communities, including the wider international community

Our work to date has benefited the public by commissioning research, raising awareness, and campaigning on issues of major public concern including climate change, environmental protection, biodiversity and sustainable development. The Trust welcomes people from all sections of society as supporters and its campaigning and awareness raising on environmental matters is directed to all in society. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

## **Our achievements in 2022-23**

This year Friends of the Earth Charitable Trust was proud to fund a wide variety of activities that aimed to tackle the climate and ecological crises in a fair and just way. Without the support of our donors, funders and financial supporters, the activities and achievements we funded this year would not have been possible.

In the year, the charity made grant payments of £8.82m, including £8.8m to Friends of the Earth Limited for the costs of charitable activities.

Additionally, the charity provided full or partial grant funding across its small and micro grants programmes, to projects and initiatives which further its aims. Details of those grant programmes are set out below.

We set an annual fundraising budget, and regularly assess and monitor the progress of our grantees to ensure that our charitable objects are being achieved in line with the terms of the grants awarded.

### **Friends of the Earth Limited**

Our largest grantee, Friends of the Earth Limited, sets clear objectives and key results as part of its annual business planning process. Its 2022-23 objectives were:

- We design, run, and win environmental justice campaigns through strong new partnerships
- As a platform for change, we are building power by bringing together and connecting citizens and communities, driving collective action that delivers environmental justice
- A powerful new narrative around how people power and collective impact delivers environmental justice is inspiring many more people to hope and action
- We are a fantastic place to work, where our culture, systems and ways of working enable all of us to make our best contribution

Some of Friends of the Earth Limited's key achievements are listed below. Further detail can be found in Friends of the Earth Limited's annual report and accounts.

- Launching the flagship United for Warm Homes campaign, leading a coalition of grassroots groups. To date there are almost 200 Local Action Groups signed up. This is a multi-year campaign, calling for urgent support for people dealing with sky-high energy bills, a new emergency programme to insulate our heat-leaking homes, and an energy system powered by cheap and green renewables.
- Working with communities in Whitehaven in Cumbria, Horse Hill in Surrey, Larne Lough in Northern Ireland, and Mozambique to campaign against regressive and dangerous new fossil fuel projects.
- Running another successful year for the My World My Home leadership development programme for college students, supporting young people to learn, take action and lead their college communities in campaigns to benefit the local

environment. In 2022-23 the programme ran across 10 colleges across the UK, engaging with a total of 49 students and delivering over 200 sessions.

- Fighting to ensure the moratorium on fracking was reinstated, following its removal under the Truss government.
- Supporting 200 Local Action Groups to campaign in their local areas, with an offer of support, training, and resources, and the opportunity to apply for grant funding.
- Continuing work to develop Climate Action Plans with local councils, ensuring local authorities prioritise action on climate and deliver actions once they are agreed.
- Launching a new campaign governance structure under three core themes: climate and energy, nature and environment, and rights and justice, to ensure campaigning work is targeted and effective in contributing to Friends of the Earth's strategic goals.
- Continuing work to provide easily accessible insight into areas such as tree coverage, climate vulnerability and air pollution in local areas through the Near You digital tool, providing the data grassroots campaigners need to drive change and campaign for local council Climate Action Plans.
- Implementing phase 1 of the transformational CRM project for its Communities and Networks teams, providing opportunities for more streamlined, joined up working, and improved systems for communications with its network of activists. Phase 2, for the rest of the organisation, is due to launch in autumn/winter 2023.

## **Small and micro grant programmes**

### **Local Action Group Fund**

The Local Action Group fund is open to all registered Friends of the Earth groups and networks. It provides financial support that can make a real difference, either by building and developing groups or by achieving a demonstrable positive impact on nature, the climate and/or environmental justice. In 2022-2023 we awarded 30 small grants under the Local Action Group Fund (including those awarded under the Local Group Fund and the Climate Action Fund, which later merged in to one programme). These small grants were used by local groups for a wide range of activities, from funding campaigning materials, to community outreach, events with local speakers, and an exhibition.

### **Partnership Fund (formally BAME Fund)**

The Partnership Fund is open to all registered Friends of the Earth Local Action Groups. It is intended to provide financial support to groups that demonstrate that an activity contributes to supporting and amplifying the voices of communities and groups often left out in the environment and climate movements. For example, a group may wish to pay a speaker from a working-class background to speak at an event or run a solidarity action to support a minoritised community. Applications are submitted for a total of £500 per financial year.

Grants are awarded for projects supporting the development of partnership work or participation with groups. This could include paying for consulting with a marginalised group for marketing and campaigns, supporting a solidarity event financially, supporting the planning and hosting of an event or action. In 2022-23 we awarded one Partnership Fund grant to Darlington Friends of the Earth, to fund production of a film.

### **Youth Action Fund**

The Youth Action Fund exists to support grassroots level campaigning on climate change that is led and delivered by young people based in England, Wales and Northern Ireland. The Fund is open to: grassroots groups whose membership is age-restricted to those aged 25 and under; individuals who are aged 25 and under, and small campaigning organisations whose leadership is predominantly 25 and under and who work exclusively to support campaigning by that age group.

The fund is intended to provide financial support that can make a real difference, either by building and developing groups, providing an individual with an opportunity that they could not otherwise access, or by achieving a demonstrable positive impact on the climate.

## **Our plans for 2023-24**

Friends of the Earth Charitable Trust's role is as a grant-making organisation, harnessing public and partner funding to support organisations with objectives that further our mission.

In June 2023 we approved a large grant application from Friends of the Earth Limited for charitable activities in 2023-24. Our funding will support this grantee to build partnerships that enable it to listen to the voices of those in communities currently suffering due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transformation. These partnerships will allow it to add what it hears to the considerable expertise it has in the organisation and wider network.

Our grant will enable Friends of the Earth Limited to build tools that will help people create the change they want to see, ensuring the organisation doesn't become a bottleneck as it aims to link local organising to national influencing in a growing network. It will also help our grantee tell a powerful story about Friends of the Earth's role and ensure that thousands more want to act and support us.

Our grant to Friends of the Earth Limited will contribute to:

- Designing, building and winning environmental justice campaigns through strong new partnerships
- Supporting hundreds of thousands of citizens to stand up for their rights and the environment
- Inspiring a million more people to hope and action via a powerful new story about people power and collective impact
- Being a fantastic place to work, where our culture, systems and ways of working enable all of us to make our best contribution.

Our funding will support environmental justice campaigns that aim to:

- win a solution to eradicate fuel poverty and slash emissions (by 2025)
- have significant impact in stopping the UK's support for fossil fuel extraction
- stand up for communities who have suffered most from nature loss
- galvanise civil society against the shrinking of civil society space, opposing and halting repressive legislation.
- continue the momentum for local climate action, building the movement and making real world impact at the local, regional and national level.

We will continue supporting local communities in tackling the climate and ecological emergencies through our small and micro grants programmes, which also diversifies our range of grantees. We will look to fund other activities that support our objectives as they arise throughout 2023-24.

## **Fundraising Review**

### **Fundraising performance**

In the year under review, the total income raised was £12.8m, a decrease of 5% on the £13.5m raised in the previous year.

Gifts and donations for the period totalled £7.7m, compared with £8.0m in the previous year; most of this reduction was in Individual Giving. Given all the adverse economic headwinds, the donations have held up reasonably under the circumstances.

Legacy income totalled £1.8m, (2021-22: £1.0m). Despite its unpredictability, our legacy income has shown an improving trend, in line with the beginnings of an expected and significant inter-generational wealth transfer in wider society. This provides a healthy Legacies pipeline of £3.7m which will be recognised as income in future years. This demonstrates the long-term relationships supporters hold with us, and their desire to continue support for our mission in their name.

We received £3m from People's Postcode Lottery (2021-22: £4.0m). The £1.1m reduction from the prior year was due to a one-off additional contribution made in 2021-22.

The value of gifts in kind received in 2022-23 decreased slightly from 2021-22 totalling £205,968.

Our forecasts for 2023-24 are based on ongoing economic uncertainty with the current context of high inflation. We expect the cost-of-living crisis to negatively impact more of our donors than were financially affected by the covid-19 pandemic. The breadth of our supporter base does provide financial resilience as we proceed with caution into the next 12 months, closely monitoring donor numbers and responding to their needs with flexibility and compassion.

We will continue to reach and engage with new audiences motivated to tackle the climate and ecological crises via financial contributions. There remains high awareness of and concern for environmental issues, with a particular desire to ensure a fair and sustainable response to the current UK energy crisis. Friends of the Earth Charitable Trust's grant giving will continue to further this vital and ever-relevant work, thanks to the ongoing generosity of our donors.

### **Our Fundraising Promise**

We generate funds through a range of techniques, including printed communications, telephone fundraising and a variety of digital fundraising activity. We continue to work with carefully selected third-party suppliers in relation to various aspects of our fundraising activity. We establish strategic partnerships with agencies or freelancers to enhance the quality and impact of our fundraising activity. Examples of this work include creative development of fundraising communications, printing and mailing services, response handling and donor stewardship. We work with professional fundraisers at telephone agencies in order to conduct high quality and engaging conversations about the impact of their support on our work, and the variety of ways in which they can consider supporting us further. All professional fundraisers working on our behalf undergo regular

training on compliance and quality standards and are fully briefed on the work of the organisation.

We are registered with the Fundraising Regulator and continue to be a member of both the Chartered Institute of Fundraising. We have had no non-compliance with the Fundraising Regulator in 2022-23. All third-party suppliers who are in contact with our supporters have a vulnerable people policy in place and meet the same high-quality standards as our own. Partner agencies hold membership with the relevant membership body, such as the Chartered Institute of Fundraising or the Direct Marketing Association, which requires compliance with a broad range of regulations and best practice policies.

We continue to monitor and respond to developments in fundraising regulation and all other relevant regulation, including GDPR. We continue to adhere to the highest standards of practice in fundraising, data protection and communications.

We have a Supporter Promise and complaints procedure, which are clearly signposted for supporters to ensure they are aware of the high standards we hold in our supporter relations work, and how they can contact us with any questions or comments. In 2022-23 we received 8 direct complaints about fundraising activity or processes (2021-22: 10). All were resolved and no complaints were received through the Fundraising Regulator. We have a vulnerable persons policy, and our fundraising teams have completed safeguarding training and comply with our safeguarding policy throughout their work.

## **Financial review**

### **Overall financial performance**

#### **Income**

In the year, our income was £12.8m, decrease of £0.7m from 2021-22. This was due to the reduction in the People's Postcode Lottery of £1.1m and £0.4m lower Donations, partly offset by higher Legacies of £0.8m.

Over 90% of our income comes from three main sources. From supporters who donate to support our work who gifted £7m and from those who remembered us in their will and left bequests of £1.8m.

We also received £3m from the Postcode Earth Trust, which receives all of its funding from the People's Postcode Lottery, strengthening our relationship with this important funder. We are incredibly grateful for the support of our donors and funders and the players of the People's Postcode Lottery.

#### **Expenditure**

Expenditure was £13.5m, a small increase on previous year figure of £13.4m.

Fundraising costs are £2.7m, this means for every £1 we spent in the year we raised £4.50 in donations to the organisation.

We also made grants to Friends of the Earth's grassroots network through our small and micro grant programmes of £16,613 (2021-22 - £11,780). This increase is due to increased activity in groups now we have moved forward from the coronavirus pandemic.

We are proud that we are able to contribute to the work of Friends of the Earth Limited and made a grant of £8.8m to Friends of the Earth Limited which enabled them to achieve the impact as noted on above.

In the year we made a deficit of £(725)k, compared to a small surplus of £19k in 2021-22.

## Reserves

In 2020-21 the Trustees designated £1.5m to invest in key initiatives to a) improve organisational systems to ensure we have informed decision making and able to make efficiencies on our current processing and b) diversify our income portfolio. In 2021 we added £0.36m: £0.15m for additional CRM costs and £0.21m for Special Projects. As these initiatives have started to come onstream the Trustees have agreed to de-designate £0.76m assigned to CRM/Special Projects, In addition, £0.19m of the Income Generation Investment Fund was used during the year, The result of all these movements was to bring the total carried forward in designated funds to £0.91m.

Unrestricted reserves ended the year at £1.8m, an increase of £0.25m compared to 2021-22: the de-designation of designated funds of £0.95m, was partly offset by the deficit in the year of £0.7m. The current reserves policy is to hold between two and four months of expenditure as free reserves, using any extra to invest in strategic initiatives which move the organisation forward. This means the charity needs to keep £0.8-1.6m in reserves. Actual reserves of £1.8m are just above the range. The Board is content that this is an appropriate level of reserves for the charity to ensure future resilience.

The detail of our designated funds is as follows (£m):

Area	Rationale	B/F	C/F	Progress
<b>Customer Relationship Management (CRM) system</b>	Organisational CRM system investment to replace current ageing system	1.15	0.55	Phase 1 of the system went live in July 2022, and is working well for our Communities and Networks teams. The launch of Phase 2 has experienced some delays whilst we ensure the finished product suits requirements. We will go live in November 2023. This fund will offset the depreciation following system implementation.
<b>Income Generation Investment Fund</b>	To diversify income through targeted staffing and pilots under the new Income	<b>0.5</b>	<b>0.31</b>	With this investment funding we have recruited several new roles to add capacity in key income generation functions such as philanthropy, individual giving and strategic partnerships. We have

	generation strategy			also allocated funding to: review of our Trusts portfolio; to assist with growing our individual giving donor base; and our 'World To Grow Up In' project
<b>Special Projects</b>	Strategic campaign and advocacy project	<b>0.21</b>	<b>0.05</b>	Includes an investment of £55k in Postcode Gardener project, a great example of a project which will segment Friends of the Earth as a community-orientated, environmental justice organisation.
<b>Designated Funds</b>		<b>1.86</b>	<b>0.91</b>	

### **Going Concern**

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern until June 2025. There are no material uncertainties about the charity's ability to continue in operational existence.

We are operating in uncertain times, the current economic circumstances underline the need to have a resilient, agile organisation but one who acts to fulfil its charitable purposes. We budgeted prudently, as we never take donor support for granted. We are investing in an ambitious income generation strategy to ensure continuation of our activities for the future.

### **Investment policy**

The charity has an ethical investment policy to ensure that its investments do not conflict with its aims. The primary objective of the policy is to ensure that the current value of reserves is, as a minimum, maintained. It is expected that the majority of investments will be in cash or near cash holdings. During the year, the Charitable Trust did not have any investments.

## **Our people**

### **Staff and volunteers**

Friends of the Earth employs around 200 staff, jointly employed by both Friends of the Earth Charitable Trust and Friends of the Earth Limited. We have offices in London, Belfast, Cardiff, Birmingham, Leeds, Manchester, Bristol and Brighton. Staff costs are detailed in Note 7 to the accounts.

### **Ways of working**

In December, we were pleased to introduce a four day (30 hour) working week as our standard full-time contract, after an extensive review and discussion across the organisation, including with the recognised trade union. Ahead of this, we provided a range of guidance and protocols to assist staff with the change. We are continuing to monitor how the new arrangements are working for staff through regular surveys and intend to complete a wider review later this year to assess any additional support that can be provided for teams to ensure the arrangements work their best. Feedback has been generally very positive, and we are proud to be able to provide staff with a better work/life balance to aid their wellbeing.

Friends of the Earth offers flexible working hours and options for office, hybrid and homeworking through our Hybrid Working Policy, as our staff are our most important asset and we want to ensure our roles are accessible to all. We have introduced core collaboration days and provide opportunities for staff to get together in person for team days and events.

Working in an increasingly regionally distributed and hybrid style has reduced the need for physical office space in London, so we plan to reduce this by approximately one half in the autumn of 2023. Having our staff based across the UK, both in regional offices and at home better reflects the communities we work with, and opens our roles up to a wider range of potential recruits.

Employees' experiences are assessed through regular pulse surveys, which consider workloads, wellbeing, and views on issues such as management and learning and development. Each month, the Co-Executive Directors hold an all staff briefing meeting to share news and updates internally, and celebrate successes.

## **Remuneration**

We have a structured pay scale within the organisation, with all roles allocated a score and band following a job grading process prior to recruitment. Upon recruitment, staff generally start at the mid-point of the band, unless they're viewed to be developing into the role based on their prior experience. We tracked or exceeded the Living Wage Foundation rates in 2022-23 and undertake periodic benchmarking exercises to help set our pay rates.

As part of our commitment to fair pay, we aim to ensure the ratio of highest paid employee to lowest paid employee is maintained within acceptable parameters. The current ratio is 3.8 : 1. Our remuneration procedures, which includes its key management personnel, are competitive within the sector to ensure we can attract and retain talented staff to deliver our strategy. Friends of the Earth does not award bonuses.

## **Gender and ethnicity pay gaps**

In line with our strong commitment to workplace equality, diversity and inclusion, we produce and publish both our gender and ethnicity pay gaps, which we voluntarily disclose.

### **Gender**

There has been a significant improvement in our median pay gap among full-time staff from 7.13% in favour of men last year down to 2.51% this year, while for part time staff it was 7.61% in favour of women (up from 0.88% in favour of women last year). Overall, the pay gap remains in favour of men by 1.55%, down slightly from 1.63% last year.

Using the mean hourly rate for comparison, the pay gap for all staff was 4.55% in favour of men, compared to 5.22% last year. For actual pay received, the gap was higher at 7.56% in favour of men, down very slightly on 8.76% last year.

For external comparison, Statista reports the average pay gap in 2022 at 15.3% in favour of men.

### **Ethnicity**

For the second time, we're also reporting on our ethnicity pay gap. Our median ethnicity pay gap for all staff was 1.55% in favour of staff who identify as white, substantially down from 7.8% last year; for full time staff the gap was 7.64% in favour of non-white staff (a significant switch compared to 10.6% in favour of white staff last year) and for part-time colleagues it was 0.78% in favour of white staff, very slightly down from last year.

Using the mean hourly rate for comparison, the overall ethnicity pay gap at FOE is 3.41% in favour of white staff, compared to 9.96% last year. In terms of actual pay received, the ethnicity pay gap fell from 6.91% to 2.24%.

External comparisons are difficult in terms of ethnicity pay gap reporting as it is as yet voluntary. Statistics show significant differences between different ethnicities and sectors – research by Charity Finance in 2022 found that of those charities reporting ethnicity pay gaps, the average was 21.9% in favour of white staff. Equally though, the

most recent analysis by the ONS in 2019 indicated a national ethnicity pay gap of just 2.4%.

We are continuing to work to improve diversity of recruitment in 2023-24 as well as looking to support development of staff – this autumn we are partnering with the Aziz Foundation to recruit an intern drawn from a Muslim background.

Our salary structure is due for review in 2023, and we hope that this process will result in decreased gender and ethnicity pay gaps.

### **Salary quartiles**

<b>Quartile</b>	<b>Female</b>	<b>Male</b>	<b>White</b>	<b>POC</b>
Lower Quartile	76.92%	23.07%	76.92%	23.08%
Lower Middle Quartile	55.76%	44.23%	88.68%	11.32%
Upper Middle Quartile	67.31%	33%	84.62%	15.38%
Upper Quartile	59.69%	44.25%	90.38%	9.62%
<b>Total</b>	<b>64.1</b>	<b>35.9</b>	<b>84.7</b>	<b>15.3</b>

### **Equality, diversity & inclusion**

Friends of the Earth is fully committed to championing equality, diversity and inclusion (EDI) and to continuously learning how to increase the diversity of our people and network, including our Board, staff and volunteers, community activists and supporters. We have a number of EDI representatives among the staff body, including for people of colour, LGBTQI+ staff, women and non-binary staff, disabled staff and neurodiverse staff, as well as a specific EDI representative for the Union. Our Co-Executive Director meets regularly with our staff EDI representatives. We are working towards the Mindful Employer Charter and are committed to the Disability Confident standard in our recruitment processes.

We've completed development of a comprehensive EDI Action Plan in consultation with colleagues from across the organisation. Though this work did not progress as quickly as we'd hoped, we are pleased to have created and ratified a plan in collaboration with our wider staff body. We've continued working with our staff and networks on anti-racism and are seeking to build partnerships with groups currently underrepresented in the movement. We've submitted our data to the Race Report, which we will use to track our progress, and our EDI Manager has developed and delivered a variety of training and educational resources. Crucially, we have embedded EDI across the activities in our business plan.

Plans for 2023-2024 include:

- Rolling out our EDI Action Plan, ensuring we are accountable through tangible actions.
- Launching a quarterly EDI Forum, a space for all staff to come together and share learning, updates and experiences.
- Expanding our Culture and Learning offer, linking training and organisational awareness events to a cultural calendar
- Create an empowering and open community of allies and advocates

- Ensuring we have supporting policies and procedures to embed EDI practice
- Ensuring we have a supportive recruitment and retention practices to attract a wide range of diversity into the organisation.

## **Governance**

### **Structure, governance and management**

Friends of the Earth comprises two separate legal entities operating under a regulated dual structure arrangement. Friends of the Earth Charitable Trust operates in England, Wales and Northern Ireland as a fundraising and grant-making charity. It is regulated by the Charity Commission and is registered with Companies House. During the year, it granted funds for charitable activities to Friends of the Earth Limited, a not-for-profit company with independent directors which undertakes campaigning and activism activity. The two entities share staff, certain resources and a brand, allowing both organisations to achieve their objectives in a cost-effective manner.

The charity is governed by a board of Trustees who meet to determine the strategic direction of the charity. Trustee decisions are made by majority vote at quorate meetings or unanimous decisions without a meeting. The day-to-day implementation of the strategy and running of the charity is delegated to the Co-Executive Directors via a delegated authority framework.

Trustees serve a three-year term that can be renewed twice, so that a maximum of nine years can be served. Trustees typically serve two three-year terms and are the company directors and members alongside being Trustees. Trustee recruitment is guided by the overall composition and skills mix of the Board; vacancies are advertised, and a recruitment pack sent to all prospective candidates.

All new Trustees receive a comprehensive induction and an induction pack containing all key governance documentation for the charity as well as copies of Charity Commission guidance including (not exclusively) CC3 "The Essential Trustee", CC20 on charitable fundraising, the Charity Commission's trustee welcome pack, guidance on public benefit, guidance on charities connected with non-charities and CC9, guidance on charities and campaigning. Trustees are also provided with an introduction to the Charity Governance Code. Further training is offered as appropriate on an ongoing basis. During the period, all Trustees received updates on relevant legal and regulatory issues.

The Board normally meets four times a year and has as its principal roles determining mission, policy and strategy and monitoring its own and grantee performance.

**Risk management**

The Co-Executive Directors, Trust Director and Trustees, working closely with their respective teams, have identified the risks to which the organisation may be exposed and ranked these by significance and likelihood. Material risks, together with current mitigation actions, are reviewed each quarter by Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties facing the charity moving forward are as follows:

Area	Mitigation
<p>The effects of high and long-lasting inflation, coupled with an over reliance upon existing income streams, effects our ability to fundraising effectively and fulfil our objects.</p>	<ul style="list-style-type: none"> <li>• Our supporters are engaged with our cause. Historically we have had good retention from a diverse donor base. However, we are never complacent and continually monitor the reach and results of our fundraising campaigns.</li> <li>• We are conducting reviews of our fundraising approach to ensure we are maximising opportunities to diversify.</li> </ul>
<p>Investment in significant IT and change projects do not bring expected benefits or brings liability risks to the organisation.</p>	<ul style="list-style-type: none"> <li>• Close oversight and monitoring of investments made in transformation projects.</li> <li>• Co-Executive Director oversight of new CRM project.</li> <li>• Subject matter experts and advocates from core teams across the organisation are in place to inform design, participate in testing and support with training.</li> </ul>
<p>Organisation faces losses or reputational damage due to fraudulent activity, including cyber-attack.</p>	<ul style="list-style-type: none"> <li>• We mitigate against the growing risk of fraud and cyber-attack through robust IT and internal financial controls.</li> <li>• We increasingly manage data on a large scale and are dependent on third parties to work on our behalf. We perform due diligence reviews on those we contract to and will continue to review our practice in this area.</li> </ul>

## **Our policies**

### **Internal controls**

The Board recognises its responsibility for ensuring we have a robust system of internal controls in place, as appropriate to the charity. We have policies in place for Risk Management, Anti-Fraud, Internal Controls, and Whistleblowing. Our Board meets with our external auditor without management present at least annually. A regular programme of health and safety reviews across our offices provides internal assurance on compliance with our statutory obligations.

### **Safeguarding**

Friends of the Earth recognises its responsibility to ensure we protect adults and children we work with from harm. All staff and Board members are bound by the Friends of the Earth Safeguarding Policy, which is regularly reviewed. We have robust procedures in place to safeguard and protect both children and adults who come into contact with Friends of the Earth, including risk assessment and incident reporting procedures.

A staff Safeguarding Committee meets quarterly to share learning and best practice, and a network of designated safeguarding leads (DSLs) is in place across the organisation to respond to any queries or concerns. Both the Board and the Senior Leadership Team have a designated member for safeguarding. All staff and Board members are required to complete mandatory training on safeguarding adults and young people.

### **Environmental**

Friends of the Earth is committed to practising what we preach. Alongside our Cycle to Work scheme, our Climate Perks policy provides staff with up to two days of paid annual leave per year if they opt for more carbon friendly travel options when on holiday. Other environmental policies include our Travel Policy, which encourages active travel and prohibits short haul flights unless the carbon emissions are demonstrably lower than other modes of transport, and our policy that our offices use 100% renewable energy. We have signed up to a salary sacrifice scheme, so that staff members can get taxation benefits on electric vehicles.

We have an Environmental Working Group made up of colleagues from across business functions, looking at best practice, metrics and new initiatives. We have reduced printing across our office operations and use only recycled and recyclable paper products. In our marketing, we operate specific policies around the sourcing of materials and our choice of supply chains. We source environmentally friendly cleaning products and use materials that are as sustainable as possible in any office refurbishments, and only use licensed and appropriate organisations to dispose of waste. With the change to hybrid working comes a shift in environmental impact, with fewer hours spent commuting and less office-based energy use.

### **Disclosure of information to auditors**

As far as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### **Trustees' responsibilities**

The Trustees (who are also directors of Friends of the Earth Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

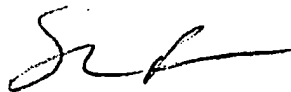
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP and FRS102.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

Crowe UK LLP have indicated their willingness to continue in office and offer themselves for re-appointment in accordance with the Companies Act 2006.

This report was approved by the Trustees and signed on their behalf.



**Sian Ferguson**

Chair

Friends of the Earth Charitable Trust

07 December 2023

## **Independent Auditor's Report to the Members and Trustees of Friends of the Earth Charitable Trust**

### **Opinion**

We have audited the financial statements of Friends of the Earth Charitable Trust for the period ended 30 June 2023, which comprise the Statement of Comprehensive Income and Retained Earnings, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of the charitable company's net movement in funds, including the 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

### **Other information**

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the director's report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 25, 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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud, and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were: General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London  
Date: 20 December 2023

## Statement of Financial Activities


		Unrestricted Funds	Restricted Funds	2023	2022
	Notes	£	£	£	£
<b>Income</b>					
Grants, donations and legacies	2	11,704,003	1,017,555	12,721,558	13,402,630
Other trading activities	3	27,991	-	27,991	36,084
Investments	4	17,244	-	17,244	12,134
<b>Total Income</b>		<b>11,749,238</b>	<b>1,017,555</b>	<b>12,766,793</b>	<b>13,450,848</b>
<b>Expenditure</b>					
Raising funds		2,676,635	-	2,676,635	1,659,686
Charitable activities	5,6	9,778,593	1,036,991	10,815,584	11,772,097
<b>Total expenditure</b>	<b>7-10</b>	<b>12,455,228</b>	<b>1,036,991</b>	<b>13,492,219</b>	<b>13,431,783</b>
<b>Net movements in funds</b>		<b>(705,990)</b>	<b>(19,436)</b>	<b>(725,426)</b>	<b>19,065</b>
<b>Funds brought forward</b>		<b>3,396,602</b>	<b>279,182</b>	<b>3,675,784</b>	<b>3,656,719</b>
<b>Funds carried forward</b>	<b>17</b>	<b>2,690,612</b>	<b>259,746</b>	<b>2,950,358</b>	<b>3,675,784</b>

## Balance Sheet

		2023	2022
	Notes	£	£
<b>Fixed Assets</b>			
Intangible fixed assets	12	1,300,227	558,543
Tangible fixed assets	12	84,104	186,346
Investments	13	248,029	248,029
		<b>1,632,360</b>	<b>992,918</b>
<b>Current Assets</b>			
Debtors	14	596,900	1,093,593
Short term deposits and cash in hand		1,636,075	2,099,959
		<b>2,232,975</b>	<b>3,193,552</b>
Creditors		(914,977)	(510,686)
<b>Creditors - Due within One Year</b>	<b>15</b>	<b>(914,977)</b>	<b>(510,686)</b>
<b>Net Current Assets</b>		<b>1,317,998</b>	<b>2,682,866</b>
<b>Net Assets</b>		<b>2,950,358</b>	<b>3,675,784</b>
<b>Funds</b>			
Unrestricted general funds		1,778,687	1,536,602
Designated Funds	17	911,926	1,860,000
Restricted funds	16	259,745	279,182
<b>Total Funds</b>	<b>18</b>	<b>2,950,358</b>	<b>3,675,784</b>

The deficit for the financial year dealt with in the financial statements was £725,426.

The accounts on pages 29 to 47 were approved and authorised by the Trustees on 07 December 2023 and were signed on their behalf,



**Sian Ferguson**  
Chair and Trustee  
07 December 2023

## Statement of Cash Flows

Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net cash provided from operating activities	272,604	52,864
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	17,244	12,134
Purchase of property, plant and equipment	(753,732)	(498,125)
<b>Net cash from investing activities</b>	<u>(736,488)</u>	<u>(485,991)</u>
<b>Net (decrease) in cash and cash equivalents</b>	<u>(463,884)</u>	<u>(433,127)</u>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,099,959</b>	<b>2,533,086</b>
<b>Cash and cash equivalents at end of year</b>	<u><b>1,636,075</b></u>	<u><b>2,099,959</b></u>
Reconciliation of net income to net cash from / (used in) operating activities		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net (deficit) / surplus for the year	(725,426)	19,065
Adjustments for:		
Dividends, interest and rents from investments	(17,244)	(12,134)
Depreciation charges	114,290	368,782
Decrease / (increase) in debtors	496,693	(606,965)
Increase in creditors	404,291	284,116
<b>Net cash provided from operating activities</b>	<u><b>272,604</b></u>	<u><b>52,864</b></u>
Analysis of cash and cash equivalents		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,636,075</u>	<u>2,099,959</u>

## **Notes to the Accounts**

### **1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **Basis of preparation**

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

Friends of the Earth Charitable Trust meets the definition of a public benefit entity under FRS 102 as set out on page 8.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant account policy notes.

This charity works closely with its sister company Friends of the Earth Limited. As at the balance sheet date, the boards of the two companies are separately controlled and no consolidation takes place in reflection of this arrangement.

#### **Preparation of accounts on a going concern basis**

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern for the foreseeable future. There are no material uncertainties about the charity's ability to continue in operational existence.

The review of our financial position, reserves levels and future plans gives Trustees confidence that the organisation remains a going concern for the foreseeable future.

As part of our going concern review, we have ensured we have a balanced budget for 2023-24 and longer term projections. Due to the current economic circumstances, we are reviewing our financials to ensure we maintain a resilient organisation.

#### **Accounting judgements and estimates**

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions that affect the carrying value of assets, liabilities that are not readily apparent from other sources. The estimates and the assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## **Notes to the Accounts – cont.**

### **Accounting judgements and estimates – cont.**

The items in the accounts that are considered to involve critical judgements and sources of uncertainty through estimation, when applying FOECT accounting policies include:

- Revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note below from donors and for legacy income.
- Cost allocation methodology requires judgement as to the most appropriate bases to use to apportion overheads and governance costs between raising funds and the charitable expenditure.
- Expenditure relating to the development of the new CRM system has been capitalised as work in progress under fixed assets from the start of the project.
- The provision for costs associated with the reinstatement of leasehold properties at the end of the term of the lease.

### **Income recognition**

All income is recognised in the statement of financial activities. Once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably. Unrestricted income is available for expenditure approved by the board. Restricted income is available for expenditure in accordance with the purpose specified by the donor.

### **Donations and legacies**

These are included in full in the statement of financial activities. When there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Pecuniary legacies are recognised when probate has been obtained and there is no evidence of insufficient assets. Residuary legacies are recognised when probate has been obtained, estate accounts approved or an interim distribution approved by executors and there are no outstanding claims against the estate.

### **Gifts in kind**

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

### **Grants**

Grants are recognised in full in the statement of financial activities. In the period in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

## **Notes to the Accounts – cont.**

### **Income from charitable activities**

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

### **Investment income**

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

#### **Cost of raising funds**

Includes costs incurred in seeking voluntary donations, as well as those incurred in recruiting new financial supporters. It does not include the costs of disseminating information in support of the charitable activities.

#### **Expenditure on charitable activities**

Comprises all direct costs incurred in pursuance of the Trust's objectives, as well as the costs of disseminating information in support of the charitable activities, allocated costs and support costs. Allocated costs are those of capacity building and regional networks that are directly working towards achieving our aims. Support costs comprise those services provided centrally that are identifiable in support of direct charitable purposes, including staff, IT, premises, facilities and other office costs.

Irrecoverable VAT is charged as a cost to the organisation.

#### **Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

#### **Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

## **Notes to the Accounts – cont.**

### **Investments**

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the statement of financial activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the statement of financial activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

### **Fixed assets**

Fixed assets are based on the substance of the asset rather than the value and stated at deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses with a de-minimis limit of £100 on the cost of the asset. Assets are depreciated in equal annual instalments over their estimated useful lives as follows:

Fixtures, fittings and leasehold improvements	Over the term of the lease
Furniture	10 years
Office equipment	4 years
Computers	3 years
Computer software	4 years

### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **Cash at bank and in hand**

Cash at bank and cash 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.

### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

## **Notes to the Accounts – cont.**

### **Funds**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees for the objects of the charity. Restricted funds are those that are to be used according to specific instructions imposed by donor or trust deed. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

### **Employee benefits**

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Friends of the Earth operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Friends of the Earth Charitable Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

### **Foreign currency translation**

The charity's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the statement of financial activities.

### **Legal status**

Friends of the Earth Charitable Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

## Notes to the Accounts – cont.

### 2 Income from donations and legacies

	2023	2022
	£	£
Gifts and Donations (a)	7,709,395	8,017,196
Legacies (b)	1,759,010	1,001,218
Grants - Postcode Earth Trust (c)	3,000,000	4,100,000
Donated services and goods (Gifts in Kind) (d)	205,968	258,194
Other	47,185	26,022
<b>Total</b>	<b><u>12,721,558</u></b>	<b><u>13,402,630</u></b>

(a) Included within Gifts and Donations are £1,017,555 of restricted grants and donations (2021/22: £881,806).

(b) As at 30 June 2023 we have £3,681,159 (2021/22: £1,739,053) of legacies in the pipeline that do not meet the criteria for income recognition as set out in the accounting policy.

(c) During the year we received a grant of £3.0m from the Postcode Earth Trust, which receives all of its funding from People's Postcode Lottery (2021/22: £4.1m).

(d) We continued to receive a gift in kind for our search engine advertising from Google Ireland.

### 3 Income from other trading activities

The donations received as a result of the community events organised by Friends of the Earth Limited were £27,991 (2021/22: £36,084).

## Notes to the Accounts – cont.

### 4 Income from investments

Investment income was bank interest of £16,599 (2021/22: £11,694) and dividends of £645 (2021/22: £440).

### 5 Analysis of direct charitable expenditure

	2023	2022
	£	£
Grants given (a)	8,816,163	9,786,280
Support costs	1,793,453	1,727,623
Gifts in Kind	205,968	258,194
<b>Charitable activities</b>	<b>10,815,584</b>	<b>11,772,097</b>

(a) Grants given includes the grant of £8,800,000 given to Friends of the Earth Ltd (2021/22: £9,770,000) with the balance grants provided to other organisations.

### 6 Analysis of support costs

	2023	2022
	£	£
Finance	1,769,858	1,703,134
Governance	23,595	24,489
	<b>1,793,453</b>	<b>1,727,623</b>

Governance costs include:

	2023	2022
	£	£
Board meetings, training, recruitment and Trustees expenses	104	-
Audit Fee	13,550	11,300
Legal & professional costs including Indemnity Insurance	9,941	13,189
	<b>23,595</b>	<b>24,489</b>

## Notes to the Accounts – cont.

### 7 Employee costs

	2023	2022
	£	£
Salaries	1,266,468	951,798
National Insurance	125,512	94,662
Pension	63,602	48,460
	<u>1,455,582</u>	<u>1,094,920</u>

Employees are jointly employed with Friends of the Earth Limited and employee costs above represent Friends of the Earth Charitable Trust's share of employee costs corresponding to fundraising activity undertaken for the Charitable Trust by those jointly employed members of staff. The disclosures below are in relation to the jointly employed staff across both entities.

The average number of employees during the period was 211 (2021/22: 190). Friends of the Earth operates a Group Personal Pension Plan for the benefit of its employees. This is a defined contribution scheme and is administered separately from the Charitable Trust. In 2022/23 the Charitable Trust matched contributions made by employees up to 7% of their salary (2021/22: 7%) and these costs are charged to the statement of financial activities as incurred.

All of the members of staff with emoluments in excess of £60,000 were jointly employed by Friends of the Earth Charitable Trust and Friends of the Earth Limited and their salary costs were split between them according to time spent. The table below shows the range of total emoluments received by higher paid staff. Emoluments include gross pay, taxable benefits and benefits in kind.

	2023	2022
	No.	No.
Number of employees who earned		
- between £60,000 and £69,999	6	2
- between £70,000 and £79,999	4	2

The Trustees consider that the senior management team are the key management personnel of the charity running and operating the charity on a day-to-day basis. These staff included the 2 x Joint Co-Executive Directors, Director of Finance & Operations, Director of Income Generation, Director of Policy, Advocacy and Campaigns, Director of Communities and Networks and the Director of Engagement. The total emoluments paid to the seven senior management staff under their joint contracts of employment were £589,166 (2021/22: £530,959).

## Notes to the Accounts – cont.

### 7 Employee costs – cont.

The Trustees' policy is to benchmark all staff salaries to the median point of the range for similar roles in similar charities of similar sizes. This includes the senior management team. In addition, we are an accredited living wage employer and we promote equality, inclusion and diversity at work. For more information, see our website: <https://www.foe.co.uk/page/our-commitment-diversity>.

### 8 Analysis of total expenditure

	2023	2022
	£	£
The surplus for the year is after charging:		
Depreciation	114,290	368,782
Auditors - audit	13,550	11,300
Auditors - other	-	-
Irrecoverable VAT	428,197	349,000
Payments under operating leases (note 12)	574,870	551,936

### 9 Trustees' remuneration and expenses

Trustees are not allowed to be paid for their services nor may they be paid employees. No Trustees have any interests in the company. During 2022/23 there was reimbursement of Board related travel expenses for Trustees of £104 (2021/22: £nil).

### 10 Corporation tax

Friends of the Earth Charitable Trust is a registered charity and as such can claim exemption from corporation tax on its income under Part 11 of the Corporation Taxes Act 2010 and on its capital gains under section 257 of the Taxation of Chargeable Gains Act 1992.

### 11 Operating leases

The company leases property on short-term leases. The rents paid on these leases, and a share of others, were £1,083,351 (2021/22: £851,555) and are subject to re-negotiation at various intervals specified in the leases. The total commitments remaining, up to the break clause, are as follows:

## Notes to the Accounts – cont.

### 11 Operating leases – cont.

#### Operating leases

	2023	2022
Payments due:	£	£
Not later than one year	430,137	528,008
Later than one year and not later than five years	653,214	323,547
Later than five years	-	-
<b>Total</b>	<b>1,083,351</b>	<b>851,555</b>

### 12 Fixed assets

	Leasehold Improvements	Fixtures, fittings and Office Furniture	Computer and Office Equipmen t	Compute r Software	Total Tangible Assets	Work in Progress new CRM system
Cost	£	£	£	£	£	£
Balance at 1 July 2022	995,933	185,752	54,689	129,704	1,366,078	558,543
Additions	12,048	-	-	-	12,048	741,684
Disposals	-	-	-	-	-	-
Balance at 30 June 2023	1,007,981	185,752	54,689	129,704	1,378,126	1,300,227

#### Depreciation

Balance at 1 July 2022	839,413	155,926	54,689	129,704	1,179,732	-
Charge in the period	99,905	14,385	-	-	114,290	-
Disposals	-	-	-	-	-	-
Balance at 30 June 2023	939,318	170,311	54,689	129,704	1,294,022	-

#### Net Book Value

<b>At 30 June 2023</b>	<b>68,663</b>	<b>15,441</b>	<b>-</b>	<b>-</b>	<b>84,104</b>	<b>1,300,227</b>
<b>At 30 June 2022</b>	<b>156,520</b>	<b>29,826</b>	<b>-</b>	<b>-</b>	<b>186,346</b>	<b>558,543</b>

## Notes to the Accounts – cont.

### 12 Fixed assets – cont.

The Trust also owns approximately one acre of woodland, near Bathampton, which lies within an area of special scientific interest and is managed by Bath and Somerset Wildlife Trust. The land was assessed as having a fair value of nil when it was donated.

CRM system work in progress represents costs toward the development of a new CRM system replacing the current system Care, which is expected to be completed by late 2023.

### 13 Investments

We hold a shareholding of 1,200 in the Triodos Renewables fund, given to us as part of a legacy, held at £1.80 per share. In 2013/14, we invested in 5,869 shares from Spirit of Lanarkshire Energy Co-op at £1 per share, offered to the public to fund development of a wind farm. In 2015/16 we invested £200,000 in an Ecobond, from Ecotricity for building new sources of green energy, receiving 6% annual interest. In 2017/18, we invested in shares worth £40,000 (21.6% share) in Friends of the Earth (Birmingham) Limited. These are held at cost as there is no active market.

### 14 Debtors

	2023	2022
	£	£
Trade debtors	4,337	8,073
Income tax recoverable (Gift Aid on donations received)	258,110	77,806
Prepayments and accrued income	321,400	281,613
Other debtors	13,053	726,101
	<u>596,900</u>	<u>1,093,593</u>

### 15 Creditors - due within one year

	2023	2022
	£	£
Trade creditors	344,434	67,154
Accruals	536,175	391,235
Other creditors	34,368	52,297
	<u>914,977</u>	<u>510,686</u>

## Notes to the Accounts – cont.

### 16 Restricted funds

#### Restricted funds (2022/23)

	Balance			Balance
	1 July	Income	Expenditure	30 June
	2022			2023
	£	£	£	£
Nature/Environment (inc Big Give Green)	-	217,861	217,861	-
Climate - Big Give	-	155,768	155,768	-
Climate - Net Zero/Warm Homes	114,423	145,655	245,799	14,279
-Divest UK – The Climate Change Collaboration	75,750	89,551	80,423	84,878
Ésmee Fairbairn - My World My Home	44,445	86,667	73,334	57,778
Near You - John Bell donation re 1year FTC	-	50,000	23,439	26,561
Phil Michaels' Legal Intern Fund	34,732	49,515	46,199	38,048
Climate - Whitehaven (not ECF)	-	46,584	46,584	-
Oak Foundation - NI sewage work	-	37,000	8,087	28,913
Climate - General/CAPS	-	35,000	35,000	-
ECF -Fossil Free Work	-	34,162	42,625	(8,463)
Climate - Fracking/Fossil Free (inc Coasts appeal)	-	26,617	26,617	-
Oak Foundation - NI other work	-	18,750	1,000	17,750
Deregulation	-	12,565	12,565	-
Environment Bill	-	8,000	8,000	-
Legal	-	3,860	3,860	-
Julia Davies - Plastics (inc Gift Aid)	2,673	-	2,672	1
Richard Sandbrook - CYS Mentoring	7,159	-	7,159	-
<b>Total</b>	<b>279,182</b>	<b>1,017,555</b>	<b>1,036,992</b>	<b>259,745</b>

Restricted funds are received to fund specific pieces of work – most commonly a specific campaigning strand. In the year the largest of these received related to the My World My Home project supporting and educating young people funded by the National Lottery Community Fund.

## Notes to the Accounts – cont.

### 16 Restricted funds – cont.

#### Restricted funds (2021/22)

	Balance			Balance
	1 July	Income	Expenditure	30 June
	2021			2022
	£	£	£	£
Climate - General/Fossil Free	-	246,279	246,279	-
Climate - Net Zero	-	189,658	75,235	114,423
Divest UK – the Climate Change Collaboration	52,003	100,691	76,944	75,750
COP 26	31,539	78,375	109,914	-
ECF - Whitehaven	-	75,000	75,000	-
Esmee Fairbairn - My World My Home	-	66,667	22,222	44,445
Phil Michaels' Legal Intern Fund	38,237	37,286	40,791	34,732
Richard Sandbrook - CYS Mentoring	-	31,300	24,141	7,159
Legal	-	24,738	24,738	-
Trade	-	5,000	5,000	-
Greener Streets	433	790	1,223	-
Julia Davies - Plastics	35,358	-	32,685	2,673
Cumbria - non ECF	6,886	-	6,886	-
<b>Total</b>	<b>164,456</b>	<b>855,784</b>	<b>741,058</b>	<b>279,182</b>

The other restricted income included grants broadly restricted to our programmes. The restricted funds were received for the following charitable activities:

	2023	2022
Charitable Activities	£	£
Climate	541,337	690,003
Nature	391,528	67,458
Other	84,690	98,324
	<b>1,017,555</b>	<b>855,784</b>

## Notes to the Accounts – cont.

### 17 Designated funds

	2023	2022
	£	£
New Customer Relationship Management (CRM) system	550,000	1,150,000
Fundraising Investment Fund	306,926	500,000
Strategic projects including 10x Greener	55,000	210,000
	<b>911,926</b>	<b>1,860,000</b>

As outlined in the reserves policy section above, the Trustees have agreed to designate funds for specific purposes:

(a) £550k has been designated for capital costs of the new CRM system, which will come into use in late 2023.

(b) The Fundraising Investment Fund of £307k is being used to develop an income generation strategy to provide investments in pilots and resourcing new initiatives.

(c) We have designated £55k to fund strategic pilots and projects including 10x Greener.

### 18 Analysis of net assets between funds

#### Analysis of net assets between funds (2022/23)

	Unrestricted funds £	Restricted funds £	Total Funds £
Fixed Assets	1,632,360	-	1,632,360
Net current assets	1,058,253	259,745	1,317,998
	<b>2,690,613</b>	<b>259,745</b>	<b>2,950,358</b>

## Notes to the Accounts – cont.

### 18 Analysis of net assets between funds – cont.

#### Analysis of net assets between funds (2021/22)

	Unrestricted funds £	Restricted funds £	Total Funds £
Fixed Assets	992,918	-	992,918
Net current assets	2,403,684	279,182	2,682,866
	<b>3,396,602</b>	<b>279,182</b>	<b>3,675,784</b>

### 19 Liability of members

In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. At 30 June 2023 the number of members was 8 (2021/22: 4).

### 20 Related Party Transactions

There were no related party transactions in the period.

## Notes to the Accounts – cont.

### 21 Comparative Statement of Financial Activities 2021/22

	Unrestricted Funds	Restricted Funds	2022
	£	£	£
<b>Income</b>			
Grants, donations and legacies	12,546,846	855,784	13,402,630
Other trading activities	36,084	-	36,084
Investments	12,134	-	12,134
<b>Total Income</b>	<b><u>12,595,064</u></b>	<b><u>855,784</u></b>	<b><u>13,450,848</u></b>
<b>Expenditure</b>			
Raising funds	1,659,686	-	1,659,686
Charitable activities	11,031,039	741,058	11,772,097
<b>Total expenditure</b>	<b><u>12,690,725</u></b>	<b><u>741,058</u></b>	<b><u>13,431,783</u></b>
<b>Net movements in funds</b>	<b><u>(95,661)</u></b>	<b><u>114,726</u></b>	<b><u>19,065</u></b>
<b>Funds brought forward</b>	<b>3,492,263</b>	<b>164,456</b>	<b>3,656,719</b>
<b>Funds carried forward</b>	<b><u>3,396,602</u></b>	<b><u>279,182</u></b>	<b><u>3,675,784</u></b>

**FRIENDS OF THE EARTH CHARITABLE TRUST**

England & Wales - Charity number 281681

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# Accounts

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**Friends of the Earth Charitable Trust**  
**Report and Accounts**  
**for the year ending 30 June 2022**

## Contents

<b>Reference and administrative details</b>	<b>2</b>
<b>About Friends of the Earth</b>	<b>3</b>
<b>Chair's statement</b>	<b>4</b>
<b>Co-Executive Directors' statement</b>	<b>5</b>
<b>Trustees and Strategic Report</b>	<b>6</b>
- Our object and activities	6
- Our achievements in 2021/22	8
- Fundraising	15
- Financial review (including reserves and investment policy)	16
- Our plans for 2022/23	19
- Our people	20
- Our policies	22
- Governance (including risk management)	23
<b>Independent Auditor's Report</b>	<b>26</b>
<b>Statement of Financial Activities</b>	<b>31</b>
<b>Balance Sheet</b>	<b>32</b>
<b>Statement of Cash Flows</b>	<b>33</b>
<b>Notes to the Accounts</b>	<b>34</b>

## Reference and administrative details

Friends of the Earth Charitable Trust is a company limited by guarantee (registered 10 December 1980), not having a share capital, and is also a registered charity (registered 6 January 1981) governed by its memorandum and articles of association.

**Company Registration Number:** 01533942  
**Registered Charity Number:** 281681  
**Registered office:** The Printworks  
1st Floor, 139 Clapham Road  
London, SW9 0HP  
**Country of incorporation:** England and Wales

### Trustees

The Trustees, who are the Directors of the charity for the purposes of the Companies Act, and held office during the period were :

F Butler  
G Fawcett (Interim chair from 31 March 2022)  
L K Hand  
J B Southworth (resigned as Chair on 31 March 2022)  
M Oley

**Co-Executive Directors:** H Knowles and M Turner

**Company Secretary:** H Ashley Taylor

The day-to-day management is delegated to the Co-Executive Directors, the Senior Leadership Team (made up of employees selected for their expertise in the various activities of the organisation) and the Trust's other staff. The charity has its own Trust Director who serves as an independent governance secretary to the Board of Trustees, supporting with meetings and charity governance matters affecting the Trust. The Trust Director reports to the Chair and the Trustees and has no other role in the charity or any of its grantees.

### Auditor

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

### Bankers

Co-operative Bank plc  
Manchester Business Centre  
1 Balloon Street  
Manchester  
M60 4EP

### Solicitors

Bates Wells & Braithwaite  
10 Queen Street Place  
London  
EC4R 1AG

## About Friends of the Earth

The natural world has experienced unprecedented disruption in recent years. And it is people, as well as the environment, that suffer as a result.

For over 50 years, we've been dedicated to the protection of the natural world and the wellbeing of everyone in it. Our international community brings together more than two million people in 73 countries, combining people power all over the world to make an even greater difference and transforming local actions into global impact.

We lead campaigns, provide resources and information and promote alternative solutions to create a cleaner, healthier and fairer world for everyone, for today and for generations to come.

In the UK, we've been responsible for making recycling not just a household word, but a household habit. We successfully campaigned for the world's first climate change law, the Climate Change Act 2008, which paved the way for similar legislation around the world. Our combined strength has meant we have been able to push back against drilling for fossil fuels and ensure legal protection from pesticides for bees, we continue the fight against climate change.

Working together with local groups, experts, business leaders and politicians we push for change around the issues and causes that matter to you – protecting your home and local environment, promoting safe and healthy food and water across the globe and supporting alternative energy solutions that can change the world for the better. Whether you are a first-time supporter or a seasoned campaigner, we're with you every step of the way, supporting communities, defending human rights, protecting nature, moving mountains.

Together with us your voice is louder, your actions more significant and your impact greater. Together with you, we are determined to change the world for good.

## Chair's statement

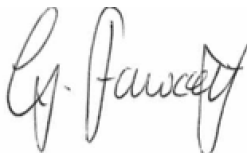
This year as interim chair of Friends of the Earth Charitable Trust, I'm delighted to report that we are continuing to forge ahead in providing a strong policy voice to help stem the negative impacts of climate change.

The importance of our networks and supporters cannot be underestimated as they support positive action to deal with a climate emergency. We continue to be fleet of foot by supporting communities in tackling local concerns and being at the front line in influencing both national and international policy developments.

I would also like to acknowledge and thank our supporters and who have continued to make our work and impact possible. Despite an uncertain economic environment individual and major donors and players of the People's Postcode Lottery, foundations and trusts have remained strong supporters. This demonstrates both their confidence in us as an organisation and our strategy for tackling climate change.

In January, this year we have also seen some changes at Governance level: Benedict Southworth, stood down as Chair of the Trust Board after serving for three years. I would like to take this opportunity to thank Benedict for his contributions which were greatly valued by all within the Board and the Organisation and wish him all the success in the future.

Despite the monumental environmental challenges faced where the effects of climate change are becoming more visible and balance of nature affected, I'm confident that we will build on our achievements and lead from the front to mitigate against their worst effects on the world in which we live.



**Gillian Fawcett**  
Interim Chair

## Co-Executive Directors' statement

The challenging future we have all feared really landed this year. We faced the continuing impact of a global pandemic, a land war in Europe, staggering rises in energy costs and a growing cost of living crisis in the UK. Around the world we continued to see weather events that set new records and displaced millions of people – mostly those who have done the least to contribute to the climate crisis.

We write this not long after the UK broke its temperature record by over a degree in multiple places and during a drought which compounded difficult conditions for farmers putting further pressure on food prices. We are preparing for a winter of discontent and suffering with a political environment that is at best self-involved and at worst dysfunctional. COP26, only 10months ago, seems like a distant memory.

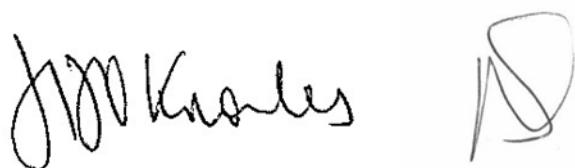
Within this context the work of Friends of the Earth Charitable Trust is ever more important. We continue to be incredibly grateful to our financial supporters and donors, the People's Postcode Lottery and its players for their ongoing support and our Extra Award, for continuing to fund and invest in us. Without them we cannot continue to fight and to win for the climate.

We fulfil our charitable purpose by funding organisations and groups that enable us to make change and protect the environment, predominately Friends of the Earth Limited.

Highlighting just some of our funded achievements this year:

- Thanks to this incredible grassroots network 85% of councils now have climate action plans in place, and we've produced over 40 council case studies displaying best practice, from which we hope other local authorities will benefit.
- Northern Ireland passed the historic Climate Change Act in May, and we secured another massive breakthrough that month when the Senedd voted for the public sector to divest from fossil fuels and decarbonise by 2030. Both are the culmination of years of pressure and partnership work from Friends of the Earth in Wales and Northern Ireland.

The next year we will continue to ensure that fossil fuels have no place in our future and ensure that the decarbonisation of heat prioritises those in fuel poverty. We will work with communities to how we all benefit from thriving nature and how it is key to our future.

The image shows two handwritten signatures in black ink. The signature on the left is 'Hugh Knowles' and the signature on the right is 'Miriam Turner'. Both are written in a cursive, flowing style.

**Hugh Knowles and Miriam Turner**  
Co-Executive Directors

## Trustees' and strategic report

The Trustees are pleased to present their Trustees' and strategic report, together with the financial statements, for the year ending 30 June 2022. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities (FRS 102).

### Our object and activities

#### Our purposes and aims

Friends of the Earth Charitable Trust is dedicated to achieving the following charitable objectives:

- The conservation, protection and sustainable use for the public benefit of the Earth's natural environment, including biodiversity, atmosphere, water, land and natural resources.
- The advancement of education for the public benefit and, in particular, the advancement of education in ecology, natural history, resource conservation, sustainable development and environment studies.
- The promotion of sustainable development for the benefit of the public by
  - (i) the preservation, conservation and the protection of the environment and the prudent use of natural resources; and
  - (ii) conducting or commissioning research and publishing the results of such research'Sustainable development' means improving the quality of life while living within the carrying capacity of supporting ecosystems and the natural environment.

We aim to achieve these objects by funding work that falls within the confines of this remit. This report sets out how these objects were achieved in the year ending 30 June 2022, the proposals for the fulfilment of the charitable objects during 2022/23 and how we plan to fulfil the charitable objects for the public benefit in future years.

In conducting its objects for the public benefit, Friends of the Earth Charitable Trust continues its long-term association with other Friends of the Earth environmental groups, both locally and internationally, in order to increase the effectiveness of its charitable work for the public benefit. This association is acknowledged within the Articles of Association that govern the charitable company.

### **Our grant making policy**

All work funded by the Trust must fall within the charitable objects stated above and must comply with all legal and regulatory requirements for UK registered charities. We fulfil our charitable objects for the public benefit by providing grant funding to organisations with aligned purposes and aims. Trustees regularly review the most effective ways to further the charity's objects for the public benefit. Trustees agree the primary funding areas for each year and retain complete discretion to approve or reject any grant application. The Trustees aim to diversify the range of grantees to which it provides grant funding in future years.

The Trust has grant monitoring procedures in place to ensure that all charitable funds are spent solely on charitable activities to further the charitable objects in accordance with the conditions attached to the grant in the written grant agreement.

### **Public Benefit Statement**

The Trustees recognise that the work of the charity seeks to provide long-term public benefit that will support communities, including the wider international community

Our work to date has benefited the public by commissioning research, raising awareness, and campaigning on issues of major public concern including climate change, environmental protection, biodiversity and sustainable development. The Trust welcomes people from all sections of society as supporters and its campaigning and awareness raising on environmental matters is directed to all in society. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

## Our achievements in 2021/22

We set an annual fundraising budget, and carefully assess and monitor the aims and progress of our grantees to ensure that our charitable objects are being achieved and that our grant funding is being maximised. Our largest grantee, Friends of the Earth Limited, sets clear objectives and key results (OKRs) as part of its annual business planning process. Its organisational OKRs were to:

- Build even more community power to win existing campaigns and inform new ones;
- Move through COP26 to a new justice-focused campaign package;
- Lay the groundwork for the worst affected and those at risk of not participating in or benefiting from the transition to inform its work;
- Defend communities' rights to protect their environment and challenge environmental injustices, particularly for the worst affected;
- Progress the implementation of our new Customer Relationship Management (CRM) system;
- Have a resilient and robust funding model.

This year Friends of the Earth Limited also extended its monitoring and evaluation framework to include Key Performance Indicators (KPIs) that measure foundational organisational health in six key areas: supporters, income generation, financial position, people, operations and governance. Achievements against these OKRs and KPIs are outlined below.

This year Friends of the Earth Charitable Trust was proud to fund a wide variety of activities that aimed to tackle the climate and ecological crises in a fair and just way. Without the support of our donors, funders and financial supporters, the activities and achievements we funded this year would not have been possible.



40+ council case studies produced capturing best practice on climate action



14 Climate Action Groups and 9 Local Groups awarded grants



Climate legislation introduced in Northern Ireland for the first time



New Income Generation Strategy developed to grow and diversify our fundraising



Strong organisational health across the majority of KPIs



40+ new and updated pieces of web and social media content on climate justice



Climate.Youth.Society youth campaigning mentoring programme launched



Civil society letter against the Policing Bill submitted alongside 350 other organisations



Partnerships built with underrepresented groups in the movement



New CRM system under development

### **Build even more community power to win existing campaigns and inform new ones (OKR1)**

Friends of the Earth believes in the power of local people to make change happen where it matters most to them. Our grant this year allowed Friends of the Earth Limited to build power within both its grassroots groups and its youth network to lead and win campaigns.

Through our funding, groups across the country have been empowered to hold local authorities to account, particularly on election pledges and councils' climate action plans. 85% of councils now have climate action plans in place, and Friends of the Earth Limited has produced over 40 council case studies highlighting best practice, from which we hope other local authorities will benefit. We've also seen a major success story in Northern Ireland by supporting the introduction of the first ever climate legislation in the country. This commits Northern Ireland not only to net zero by 2050 but also to legally binding climate action plans and the appointment of a Climate Commissioner and Just Transition Commissioner.

With the help of our grant, Friends of the Earth Limited has continued to strengthen its groups' abilities to campaign, with over 50 training sessions delivered on a range of topics, from group development to anti-oppression. It's also trialled longer-term training courses comprising 4-8 sessions, and these were received very positively by activists.

We were incredibly pleased to see an increase in applications to our Climate Action Fund and Local Group Fund for community groups this year, with 23 grants made in total across the two funds. These grants supported groups with a real range of activities and resources including outreach campaigns, materials for stalls, events, public art campaigns and legal scoping reports. Climate Action Leicester and Leicestershire, for example, used the Climate Action Fund to support its Big Green Swap and translate promotional materials into Hindi, Gujarati and Arabic to ensure the event was as inclusive as possible – there were around 600 attendees in total. Another grantee invested in a community resource to monitor air quality throughout East Dorset and matched the funding by working with allied groups. In the lead-up to the local council elections in May, we decided to increase the maximum grant amount from £500 to £800 and are pleased to confirm we've agreed to maintain this level of funding going forwards.

Despite the difficult context caused by the pandemic, it has established and developed pathways for youth-led climate action. The highest ever number of students, 57 in total, graduated from its My World My Home further education programme, which successfully supported a number of learning-disabled young people as well. We also supported its launch of Climate.Youth.Society, a youth campaigning mentoring programme – while there were naturally some challenges in its fledgling year, it's taken the learnings onboard and has been able to continue the programme into a second year.

The Charitable Trust's own Youth Fund was sadly not made use of this year, as Climate.Youth.Society was prioritised due to staff illness and capacity – this programme had its own line of microgrants, meaning the Youth Fund wasn't required in addition. However, we anticipate renewed take-up in 2022/23 as the youth network continues to grow.

Friends of the Earth Limited has also made concerted efforts to ensure that the Friends of the Earth network is providing insight and leadership that shape its campaigns. This has included consultation seminars, surveys and lighter-touch feedback via events, and has influenced its work from COP26 to the development of its new home heating campaign. While delays to the development of its new

campaign package (see OKR2) and new CRM system (see OKR5) have hampered this work, we're confident that strong foundations have been laid to further progress this work in 2022/23.

### **Move through COP26 to a new justice-focused campaign package (OKR2)**

We need a wide range of voices to solve global problems and achieve social and climate justice, and that means a more inclusive, diverse environmental movement. Our funding enabled Friends of the Earth Limited to channel the momentum of COP26 into key climate wins and two new visionary, justice-focused campaigns.

As a key global focal point, it used the UN climate talks in Glasgow (COP26) to leverage pressure on the UK government's hypocrisy in supporting fossil fuel extraction at home and abroad. This message came through loud and clear before, during and after COP26 in both the media and politics, and at the event itself it demonstrated against the Cambo oil field in the North Sea in collaboration with Friends of the Earth Scotland. 280,000 people signed a joint petition with regional and national partners against the proposed new Whitehaven coalmine in Cumbria, and other petitions throughout the year challenged the fossil fuel industry and called for a windfall tax on energy companies in the context of the energy crisis.

With the support of our funding, Friends of the Earth Limited was also aiming to launch two new justice-focused campaigns, one around climate and one around nature. While both have been delayed, partly due to reprioritising the package in light of the energy crisis and partly due to capacity, the development of these new campaigns is well underway – a home heating campaign that aims to eradicate fuel poverty and slash emissions will launch in September, and a healthy environment campaign is now scheduled for spring 2023. Our grantee is working hard to ensure these campaigns are as inclusive as possible, seeking insights from people of colour and young people in particular, as well as a wide range of external allies.

### **Lay the groundwork for the worst affected and those at risk of not participating in or benefiting from the transition to inform our work (OKR3)**

The climate and biodiversity crises don't impact us all equally – often those who've done the least to cause the problem are the most severely affected. And as we transition to a greener world, we need to make sure it's fair for all and that no one gets left behind. This year our funding allowed Friends of the Earth Limited to establish ways for the most marginalised to have their voices heard.

Its Youth & Families Team has used our grant to invest considerably in making its programmes accessible to the most marginalised young people, with close to 100% of its My World My Home and Climate.Youth.Society graduates either racially minoritised, disabled or working class. It also ran a special educational needs or disability (SEND) pilot within its My World My Home programme and disability justice training for staff.

Building on its anti-racism training pilot last year, our largest grantee has been developing the next phase of its anti-racism work with the Friends of the Earth community network. It's procured an external provider to run more training this autumn and has plans in place to update and expand its anti-racism resources. While some progress has been made, there's more work to be done on developing its next training package, establishing an anti-racism journey for the network and embedding anti-racism into its campaigns.

Our funding has supported partnerships building with underrepresented groups in the environmental movement, from Leicester's Race Equality Centre to the EcoSynagogue and the Stop Climate Chaos Cymru coalition in Wales. Friends of the Earth Limited collaborated with a number of trade unions via its Green Jobs Summit and ran partnerships workshops for the network at its annual activist events. Through our 2022/23 grant, it plans to recruit a Partnerships Lead role to develop more collaborations and ensure they are truly embedded within its work.

Due to COVID and the restriction on events, the BAME Fund, launched in 2020/21, was not accessed during the year. There was some initial reluctance and concerns relating to power dynamics with grant recipients but we are confident that the framework we have in place around our partnerships work means we can ensure the relationships supported through this fund will be mutually beneficial. Going forwards it will now be called the Partnerships Fund and can be used to promote greater inclusivity and diversity with underrepresented groups at the local level.

Friends of the Earth Limited also wanted to firmly position itself as a community-centred environmental justice organisation via compelling, human storytelling. It made some headway on this, for example producing over 40 new and updated pieces on its website and social media channels highlighting the need for climate justice and telling stories of the people and communities most impacted. However, it is currently developing a new Brand and Audience Strategy and will be able to properly progress this work once this is in place.

Finally, our grant has enabled the development and testing of approaches to working with communities beyond the existing Friends of the Earth network so that their insights inform campaigns. Friends of the Earth Limited used data mapping and analysis to identify communities most impacted and most at risk of not participating in, or benefitting from, the transition, but there is much more to be done to ensure this informs its day-to-day work. It's particularly focused on how it can draw on community insights when developing campaigns, while also ensuring that it's not being extractive, and we will continue to support this focus into 2022/23.

#### **Defend communities' rights to protect their environment and challenge environmental injustices, particularly for the worst affected (OKR4)**

This year has seen numerous assaults on human rights, from injustices abroad to the Police, Crime, Sentencing and Courts Bill at home. We've always believed in standing up against environmental injustices throughout the Friends of the Earth grassroots and international networks. This year our grant allowed the continuation and refinement of this vital work, with a particular focus on those most impacted by threats to their rights and freedoms.

Alongside Friends of the Earth international sister organisations, Friends of the Earth Limited delivered a wide range of impactful solidarity interventions to defend Environmental Human Rights Defenders, from protesting a lawsuit against indigenous river defenders in Malaysia to challenging Shell at its AGM. It also trialled new ways for the grassroots network to support international allies and has run sessions on the importance of solidarity.

While it fought strongly against the new Police, Crime, Sentencing and Courts Bill, for example by submitting a civil society statement along with 350 other organisations and supporting an extensive parliamentary lobbying programme, a significant number of anti-protest measures have been

introduced that pose a serious threat to us and many other organisations. Furthermore, measures to criminalise trespass were also passed, a direct attack on the nomadic way of life of Gypsy, Roma and Traveller communities. Friends of the Earth Limited also co-authored and strengthened cross-sector demands for the Planning Bill to address climate, nature and community rights, with proposed changes ultimately dropped by the government.

### **Progress the implementation of our new CRM system (OKR5)**

How we connect with the Friends of the Earth network, supporters and donors and how we use data across the organisation is of vital importance to our activities and aims. We therefore recognised the need for major investment in a new CRM system. While we knew it would take longer than a year to complete, we wanted Friends of the Earth Limited, as the entity responsible for delivering this joint project, to make significant progress this year in accordance with agreed timescales and budget, and also ensure a high level of engagement and input from across the organisation.

Although understandably there have been some delays and we've slightly exceeded our original budget, the project is on track and implementation is well underway, with Phase 1 (go-live for our Communities and Networks directorate) completed in July 2022. Phase 2 (go-live for the remainder of the organisation) is now targeted for January 2023.

There's been a high level of engagement from stakeholders across the organisation, with numerous workshops held to identify business and process requirements for each team and ensure buy-in from colleagues. As we move into the next phase of implementation and continue our investment, we're excited to see the benefits of the new system rolled out across the whole organisation.

### **Have a resilient and robust funding model (OKR6)**

As the COVID-19 pandemic progressed and the cost-of-living crisis emerged, we, like all of society, had to continually adapt to the uncertain and challenging economic context. Given this background, it's been more important than ever to ensure our fundraising is resilient and robust, to keep having impact and create security for the future. This year our focus was on income growth, investment and diversification.

While we fell just short of our stretch income target of £15 million, we comfortably exceeded our original budgeted income, with especially strong performance in our Individual Giving programme despite challenges recruiting in this area.

In the latter half of the year, we developed a new Income Generation Strategy that outlines our vision for income growth and identifies the strategic actions needed to get there by June 2025. We also designated £500k into the organisation's fundraising programme, with a number of roles now being recruited to build capacity and expertise in key growth areas.

Lastly, our fundraising teams have experimented with a range of tactics to diversify our programme, from social channels like YouTube and Facebook messenger to the web, from testing values-based messaging to launching a new Insight Bank via which we can better analyse learnings and increase our impact. While some areas have performed stronger than others, with cost per acquisition proving particularly challenging, our new Income Generation Strategy clearly outlines how we'll diversify over the next three years.

## **KPIs**

We monitor our work and impact through a KPI framework.

### ***Supporters***

Over the course of the year, supporter retention and satisfaction has been particularly strong. However, the number of people taking action has decreased this year, most likely due to new entries into a crowded market and changes to social media algorithms. This has also had a knock-on effect on supporter recruitment, with additional challenges caused by changes in data and privacy policies.

### ***Income Generation***

We've seen strong performance in most areas throughout the year. As with supporters, we've seen challenges with recruitment due to underperformance in some areas, for example our Bee Saver Kits. We've also received less in legacy income than anticipated, although this income stream is difficult to predict, with one large legacy payment now expected in the 2022/23 financial year.

### ***Financial position***

This has been consistently positive, with slight overspend on salaries and operational costs. We took a cautious approach to budgeting this year as we came out of a post-pandemic world and facing economic turmoil.

### ***Operations***

Operations have been strong all year, with especially good results in health and safety risks, major IT incidents and IT service level agreements.

### **Governance**

Governance has performed very well this year, particularly in relation to the effectiveness of the Friends of the Earth Limited Board and the Senior Leadership Team. Data governance has also performed well, with new GDPR training rolled out across the organisation over the summer period.

## **Fundraising**

### **Fundraising performance**

In the year under review, the total income raised was £13.5m, a decrease of 18% on the £15.9m raised in the previous year. This was largely due to a historic donation of £3.4m paid to the Trust in 2020/21 from People's Postcode Lottery income, excluding this qualifying charitable donation the comparable figures would be £13.2m this year against £12.5m: an overall rise of £0.7m.

Gifts and donations for the period totalled £7.4m, compared with £7.3m in the previous year. We are grateful to our donors for their continued support/

Legacy income totalled £1.0m, (2020/21 £1.28m). Despite its unpredictability, our legacy income remains stable year-on-year. This demonstrates the long-term relationships supporters hold with us, and their desire to continue support for our mission in their name.

Grants received in the year were £0.4m, a significant decrease on 2020/1 due to the £3.4m qualifying charitable donation from Friends of the Earth Limited.

The value of gifts in kind received in 2021/22 decreased slightly from 2020/21 totalling £258,194.

We received £4m from People's Postcode Lottery, an increase of £1m from 2020/21.

Our forecasts for 2022/23 are based on ongoing economic uncertainty with the current context of high inflation. We expect the cost-of-living crisis to negatively impact more of our donors than were financially affected by the COVID-19 pandemic. The breadth of our supporter base does provide financial resilience as we proceed with caution into the next 12 months, closely monitoring donor numbers and responding to their needs with flexibility and compassion.

We will continue to reach and engage with new audiences motivated to tackle the climate and ecological crises via financial contributions. There remains high awareness of and concern for environmental issues, with a particular desire to ensure a fair and sustainable response to the current UK energy crisis. Friends of the Earth Charitable Trust's grant giving will continue to further this vital and ever-relevant work, thanks to the ongoing generosity of our donors.

### **Regulation**

We generate funds through a range of techniques, including printed communications, telephone fundraising and a variety of digital fundraising activity. We continue to work with carefully selected

third-party suppliers in relation to various aspects of our fundraising activity. We establish strategic partnerships with agencies or freelancers to enhance the quality and impact of our fundraising activity. Examples of this work include creative development of fundraising communications, printing and mailing services, response handling and donor stewardship. We work with professional fundraisers at telephone agencies in order to conduct high quality and engaging conversations about the impact of their support on our work, and the variety of ways in which they can consider supporting us further. All professional fundraisers working on our behalf undergo regular training on compliance and quality standards and are fully briefed on the work of the organisation.

We are registered with the Fundraising Regulator and continue to be a member of both the Chartered Institute of Fundraising and the Direct Marketing Association. We have had no non-compliance with the Fundraising Regulator in 2021/22. Any third-party suppliers who are in contact with our supporters have a vulnerable people policy in place and meet the same high-quality standards as our own. Partner agencies hold membership with the relevant membership body, such as the Direct Marketing Association, which requires compliance with a broad range of regulations and best practice policies.

We continue to monitor and respond to developments in fundraising regulation and all other relevant regulation, including GDPR. We continue to adhere to the highest standards of practice in fundraising, data protection and communications.

We have a Supporter Promise and complaints procedure, which are regularly signposted for supporters to ensure they are aware of the high standards we hold in our supporter relations work, and how they can contact us with any questions or comments. In 2021/22 we received 10 direct complaints about fundraising activity or processes. All were resolved and no complaints were received through the Fundraising Regulator. We have a vulnerable persons policy, and our fundraising teams have completed safeguarding training and comply with our safeguarding policy throughout their work.

## Financial review

### Overall financial performance

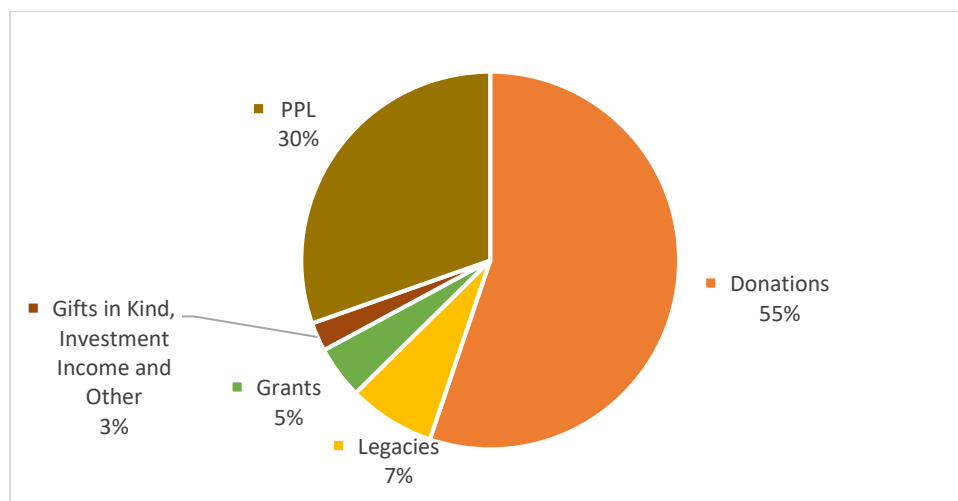
#### Income

In the year, our income was £13.4m, a decrease of £2.5m from 2021, this was due to a one-off historic funding adjustment linked to PPL funding which increased our income last financial year.

Over 90% of our income comes from three main sources. From supporters who donate to support our work who gifted £7.4m and from those who remembered us in their will and left bequests of £1m . We are incredibly grateful for their support.

We also received £4.1m from the People's Postcode Lottery- Earth Trust strengthening our relationship with this important donor.

An overview of our total income:



## Expenditure

Expenditure was £13.3m, a reduction on last financial year due to a grant reduction to our main grantee.

Fundraising costs are £2.8m, this means for every £1 we spent in the year we raised £4.50 in donations to the organisation.

We also made grants to our grassroots network through our Climate Action and Local Group Funds of £11,780 (2020/21 - £2,967). This increase is due to increased activity in groups now we move forward from the coronavirus pandemic.

We are proud that we are able to contribute to the work of Friends of the Earth Limited and made a grant £10.3m to Friends of the Earth Limited which enabled them to achieve the impact as noted on page 6.

In the year we made a small deficit of £119k, which keeps us comfortably within our reserves policy.

## Reserves policy

Trustees recognise their duty of care to maintain an appropriate level of reserves. We have never been in more uncertain economic times, and the Trustees are aware of the potential vulnerability in our income, which means that we need to take a prudent approach, but we also need to use our reserves to maximise impact on climate change.

In the year, the reserves policy was reviewed, and a decision was made to hold between two and four months of reserves as free reserves, using any extra to invest in strategic initiatives which move the organisation forward. This means the organisation needs to keep £0.8-1.6m in reserves.

In 2020/21 the Trustees designated £1.5m to invest in key initiatives to a) improve organisational systems to ensure we have informed decision making and are able to make efficiencies on our current processing, and b) diversify our income portfolio:

Area	Rationale	£	Progress
<b>Customer Relationship Management (CRM) system</b>	Organisational CRM system investment to replace current ageing system	<b>1m</b>	Making good progress on the implementation. Phase 1 of system went live in July 2022, with Phase 2 live in January 23. This fund will offset the depreciation once the system has been fully implemented
<b>Income Generation Investment Fund</b>	To diversify income through targeted staffing and pilots under the new Income generation strategy	<b>0.5m</b>	A delay in completion of the income generation strategy resulted in a delay in recruitment, but these funds will be drawn down in 2022/23 when the new staff members start
<b>Designated Fund</b>		<b>1.5m</b>	

At the end of the financial year, prior to additional designation our free reserves were £2m, we are taking the opportunity to designate more reserves as follows:

- a) To fund Phase 3 of CRM implementation - £150k
- b) Strategic campaign and advocacy project - £200k this includes an investment of £60k in 10x greener a great example of a project which will segment Friends of the Earth as a community-orientated, environmental justice organisation. successful pilot which we are extending to increase connection and has fundraising opportunities.

### Going Concern

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern for the foreseeable future. There are no material uncertainties about the charity's ability to continue in operational existence.

We are operating in uncertain times, the current economic circumstances underline the need to have a resilient, agile organisation but one who acts to fulfil its charitable purposes. We budgeted prudently, as we never take donor support for granted. We are investing in an ambitious income generation strategy to ensure continuation of our activities for the future.

### Investment policy

The charity has an ethical investment policy to ensure that its investments do not conflict with its aims. The primary objective of the policy is to ensure that the current value of reserves is, as a minimum, maintained. It is expected that the majority of investments will be in cash or near cash holdings. During the year, the Trust did not have any investments.

### Our plans for 2022/23

Friends of the Earth Charitable Trust's role is as a grant-making organisation, harnessing public and partner funding to support organisations with objectives that further our mission.

In June 2022 we approved a large grant application from Friends of the Earth Limited for charitable activities in 2022/23. Our funding will support this grantee to build partnerships that enable it to listen to the voices of those in communities currently suffering due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transformation. These partnerships will allow it to add what it hears to the considerable expertise it has in the organisation and wider network.

Our grant will enable Friends of the Earth Limited to build tools that will help people create the change they want to see, ensuring the organisation doesn't become a bottleneck as it aims to link local organising to national influencing in a growing network. It will also help our grantee tell a powerful story about Friends of the Earth's role and ensure that thousands more want to act and support us.

While Friends of the Earth Limited's plans span the next two years until June 2024, recognising the need for long-term investments in Friends of the Earth's future and legacy, it should be noted that our funding is for the next year only, with a new grant application required by June 2023 in order for funding to continue into the following year.

Our grant to Friends of the Earth Limited will contribute to:

- Designing, building and winning environmental justice campaigns through strong new partnerships
- Supporting hundreds of thousands of citizens to stand up for their rights and the environment
- Inspiring a million more people to hope and action via a powerful new story about people power and collective impact
- Being a fantastic place to work, where our culture, systems and ways of working enable all of us to make our best contribution.

Our funding will support environmental justice campaigns that aim to:

- win a solution to eradicate fuel poverty and slash emissions (by 2025)
- have significant impact in stopping the UK's support for fossil fuel extraction
- stand up for communities who have suffered most from nature loss
- galvanise civil society against the shrinking of civil society space, opposing and halting repressive legislation
- continue the momentum for local climate action, building the movement and making real world impact at the local, regional and national level.

Friends of the Earth Limited's focus in 2022/23 will be on launching its new home heating and nature campaigns, implementing our new CRM system for the whole organisation and navigating the ongoing cost-of-living and energy security crises. It will also be using our funding to invest in income generation and build our profile to ensure the organisation is financially sustainable.

We will continue supporting local communities in tackling the climate and ecological emergencies through our Climate Action and Local Group Funds and hope that the increased uptake seen in 2021/22 continues into 2022/23. We seek to diversify our range of grantees so the focus in 2022/23 will be restart our Youth Fund and introduce our new Partnerships Fund (previously the BAME Fund). As always, we will look to fund other activities that support our objectives as they arise throughout 2022/23.

## Our people

### Ways of Working

The coronavirus pandemic continued during 2021/22, we successfully adapted as an organisation, working differently to continue our impact despite the circumstances.

Collaboration has been key to success; the pandemic has proven that staff can work remotely as long as we maintain connection. Some of the successes have been:

- Successfully worked remotely which has led to a move to hybrid working with a formal policy due to be adopted in December 2022.
- This has led the organisation to consider the need for physical office space. As leases end, we are reviewing property needs, which has already resulted in changes to the regional office provisions. Ultimately, this will lead to a reduction in the cost and size of the London office, freeing up our resources to invest elsewhere.
- Expanded the talent and experience of the staffing team by recruiting staff from across England, Wales and Northern Ireland (where we have previously been more London-centric)
- Ensured collaboration events take place at both the team and organisational level. This is vital to ensure connections and relationships are strong across the organisation.
- Ensured the continued commitment of our supporters and donors, for whose dedication we are extremely grateful.

Friends of the Earth Limited closed its COVID-19 working group in May 2022. This was a cross-departmental staff working group that provided advice and support to the organisation and Friends of the Earth network, to protect their physical and mental wellbeing.

### **Staff and volunteers**

Friends of the Earth employs around 190 staff, with offices in London, Belfast, Cardiff, Birmingham, Leeds, Manchester, Bristol and Brighton. This year we moved into new, more flexible workspaces in Leeds, Cardiff, Brighton, Manchester and Bristol. Staff costs are detailed in Note 6 to the accounts. We're also indebted to the invaluable service of our volunteers who provide support to our staff body, for example in campaigns and fundraising.

The Board meets with representatives of the Union and our People of Colour network on an annual basis and receives regular updates on people matters such as turnover, learning & development and wellbeing.

### **Gender and ethnicity pay gaps**

We have a structured pay scale within the organisation, with all roles allocated a score and band following a job grading process prior to recruitment. Upon recruitment, staff generally start at the mid-point of the band, unless they're viewed to be developing into the role based on their prior experience.

We were pleased to recruit more staff in regional locations across England, Wales and Northern Ireland during the year, although this is a factor in the gender pay gap due to the absence of London weighting.

While there have been minor improvements in our median and mean gender pay gaps this year – except for the median gap for full-time staff which has seen an increase – it's disappointing to see that a gender pay gap still exists. According to the Office for National Statistics, the median national gender pay gap across all employees was 15.4% in April 2021, we are pleased but not complacent that our median pay gap is 7.1% in favour of men and for part time staff it was 0.88% in favour of women. The gap is due to regional salary difference as we expand our staffing team from London. In addition staff turnover has shifted the composition of the staffing team, particularly at the junior and upper management level, as well as the split between full-time and part-time staff

For the first time this year, we're also reporting on our ethnicity pay gap. The most recently published survey from ONS in 2019 shows regional variations, largest at 23.8% in London and smallest in Wales at 1.4%. We are disappointed to report that our median ethnicity pay gap for all staff was 7.8% in favour of staff who identify as white, for full time staff the gap was 10.6% in favour and for part-time it was 0.8% in favour of staff who identify as white. This is caused by the distribution of staff across our salary bands, with the proportion of people of colour highest in more junior roles and lowest in more senior roles, as well as the split between full-time and part-time staff. We are aiming to improve diversity of recruitment in 2022/23 with an updated recruitment policy with a focus on equality, diversity and inclusion.

Our salary structure is due for review in 2023, and we hope that this process will result in decreased gender and ethnicity pay gaps.

### Salary quartile

The proportion of people and ethnicity across the four salary quartiles is as follows:

Quartile	Female	Male	White	POC
Lower Quartile	78%	22%	75%	25%
Lower Middle Quartile	60%	40%	91%	9%
Upper Middle Quartile	60%	40%	84%	16%
Upper Quartile	55%	45%	91%	9%
<b>Total</b>	<b>64%</b>	<b>36%</b>	<b>85%</b>	<b>15%</b>

Friends of the Earth does not award bonuses.

### Equality, Diversity & Inclusion

Friends of the Earth is fully committed to championing equality, diversity and inclusion and to continuously learning how to increase the diversity of our people and network, including our Trustees, staff, volunteers and supporters.

This year Friends of the Earth Limited hired a Diversity & Inclusion Manager, who has been developing an EDI action plan and delivering on a number of projects and resources, for example pronouns and microaggressions guidance. It has also established a wider range of EDI representatives and conversations among the staff body, including for people of colour, LGBTQI+ staff, women and non-binary staff, disabled staff and neurodiverse staff, as well as a specific EDI representative for the Union.

In collaboration with diversity and inclusion experts Full Colour, we're working towards becoming an actively anti-racist organisation – while this work did not progress as much as we'd hoped in 2021/22, we expect Friends of the Earth Limited to make much more headway in the coming year with more capacity now in place. It has also continued collaborating with the Friends of the Earth network on anti-racism and is seeking to build partnerships with groups currently underrepresented in the movement.

### Our policies

#### Ethical policies

Friends of the Earth maintains a set of policies designed to ensure high ethical standards in all aspects of our operations. This year we've been working to implement the recommendations from our latest safeguarding review in April 2022 and plan to increase safeguarding capacity in 2022/23 by introducing a designated post in this area. This year we've also reviewed our party-political independence & impartiality and reserves policies and have introduced a health & wellbeing policy. Furthermore, we've tightened our internal controls based on the recommendations of last year's audit.

## Environmental policies

Friends of the Earth is committed to practising what we preach. Alongside our Cycle to Work scheme, our Climate Perks policy provides staff with up to two days of paid annual leave per year if they opt for more carbon friendly travel options when on holiday. Other environmental policies include our travel policy, which encourages active travel and prohibits short haul flights unless the carbon emissions are demonstrably lower than other modes of transport, and our policy that our offices use 100% renewable energy. Our procurement policy ensures we are using suppliers with high ethical and environmental impact standards.

Recently we have changed working practices due to the coronavirus pandemic. We are working in a hybrid style and ensuring virtual collaboration which has reduced the need for physical office space. We have set up an Environmental Working Group so that we consider the wider aspects of our organisation.

## Governance

### Structure, governance and management

Friends of the Earth comprises two separate legal entities operating under a regulated dual structure arrangement. Friends of the Earth Charitable Trust operates in England, Wales and Northern Ireland as a fundraising and grant-making charity. It is regulated by the Charity Commission and is registered with Companies House. During the year, it granted funds for charitable activities to Friends of the Earth Limited, a not-for-profit company with independent directors. Friends of the Earth Limited undertakes all campaigning and activism on behalf of Friends of the Earth and is responsible for people, finance and operations. The two entities share staff, certain resources and a brand, allowing both organisations to achieve their objectives in a cost-effective manner.

The charity is governed by a board of Trustees who meet to determine the strategic direction of the charity. Trustee decisions are made by majority vote at quorate meetings or unanimous decisions without a meeting. The day-to-day implementation of the strategy and running of the charity is delegated to the Co-Executive Directors via a delegated authority framework.

Trustees serve a three-year term that can be renewed twice, so that a maximum of nine years can be served. Trustees typically serve two three-year terms and are the company members alongside being Trustees. Trustee recruitment is guided by the overall composition and skills mix of the Board; vacancies are advertised, and a recruitment pack sent to all prospective candidates.

All new Trustees receive a comprehensive induction and an induction pack containing all key governance documentation for the charity as well as copies of Charity Commission guidance including (not exclusively) CC3 “The Essential Trustee”, CC20 on charitable fundraising, The Charity Commission Trustee welcome pack, Guidance on public benefit, guidance on charities connected with non-charities and CC9, Charities and Campaigning. Trustees are also provided with an introduction to the Charity Governance Code. Further training is offered as appropriate on an ongoing basis. During the period, all Trustees received updates on relevant legal and regulatory issues.

The Board normally meets four times a year and has as its principal roles determining mission, policy and strategy and monitoring organisational and grantee performance.

## Risk management

The Co-Executive Directors, Trust Director and Company Secretary working closely with their respective teams have identified the risks to which the organisation may be exposed and ranked these by significance and likelihood. Material risks, together with current mitigation actions, are reviewed each quarter by Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties facing the charity moving forward are as follows is of course inflation::

Area	Mitigation
<p>We are currently facing high inflation due to an energy, fuel and food crisis which is resulting in higher prices, increased taxes and higher inflation rates.</p> <p>Currently, the economy is shrinking with concerns we are heading for recession</p> <p>This could affect our fundraising and our ability to reach organisational aims.</p>	<ul style="list-style-type: none"> <li>• Supporters are engaged with our cause. Historically we have had good retention from a diverse donor base. However, we are never complacent and continually monitor results of our fundraising campaigns.</li> <li>• We have a deficit budget in 2022/23, we are intent on spending reserves on strategic projects to move our organisational impact. This means we need to ensure costs are prioritised for maximum impact</li> <li>• We have three-year projections of income which we update on a quarterly basis.</li> </ul>

## Disclosure of information to auditors

As far as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### Trustees' responsibilities

The Trustees (who are also directors of Friends of the Earth Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

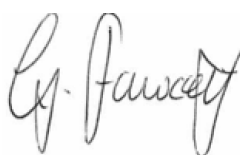
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP and FRS102.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Crowe UK LLP have indicated their willingness to continue in office and offer themselves for re-appointment in accordance with the Companies Act 2006.

This report was approved by the Trustees and signed on their behalf.



**Gillian Fawcett**  
**Interim Chair**  
24 November 2022

## Independent Auditor's Report to the Members and Trustees of Friends of the Earth Charitable Trust

### Opinion

We have audited the financial statements of Friends of the Earth Charitable Trust for the period ended 30 June 2022, which comprise the Statement of Comprehensive Income and Retained Earnings, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 June 2022 and of the charitable company's net movement in funds, including the 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 25, 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 charities 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 group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **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 or the group'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.

### **Other information**

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the director' report [and the strategic report] prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 25, 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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud, and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were: General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, Employment legislation.

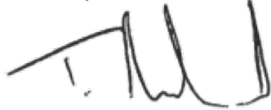
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London  
6 January 2023

## Statement of Financial Activities

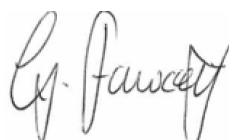
		Unrestricted Funds	Restricted Funds	2022	2021
	Notes	£	£	£	£
<b>Income</b>					
Donations and Legacies	2	12,520,824	338,658	12,859,482	12,492,263
Charitable activities	3	26,022	517,126	543,148	358,295
Other trading activities	4	36,084	-	36,084	3,094,915
Investments	5	12,134	-	12,134	12,603
<b>Total Income</b>		<b>12,595,064</b>	<b>855,784</b>	<b>13,450,848</b>	<b>15,958,076</b>
<b>Expenditure</b>					
Raising funds		1,659,686	-	1,659,686	955,562
Charitable activities	6,7	11,031,039	741,058	11,772,097	13,538,887
<b>Total expenditure</b>	8-11	<b>12,690,725</b>	<b>741,058</b>	<b>13,431,783</b>	<b>14,494,449</b>
<b>Net movements in funds</b>		<b>(95,661)</b>	<b>114,726</b>	<b>19,065</b>	<b>1,463,627</b>
<b>Funds brought forward</b>		<b>3,492,263</b>	<b>164,456</b>	<b>3,656,719</b>	<b>2,193,092</b>
<b>Funds carried forward</b>	18	<b>3,396,602</b>	<b>279,182</b>	<b>3,675,784</b>	<b>3,656,719</b>

## Balance Sheet

		2022	2021
	Notes	£	£
<b>Fixed Assets</b>			
Intangible fixed assets	13	558,543	-
Tangible fixed assets	13	186,346	615,546
Investments	14	248,029	248,029
		<b>992,918</b>	<b>863,575</b>
<b>Current Assets</b>			
Debtors	15	1,093,593	486,628
Short term deposits and cash in hand		2,099,959	2,533,086
		<b>3,193,552</b>	<b>3,019,714</b>
Creditors		(510,686)	(226,570)
<b>Creditors - Due within One Year</b>	<b>16</b>	<b>(510,686)</b>	<b>(226,570)</b>
<b>Net Current Assets</b>		<b>2,682,866</b>	<b>2,793,144</b>
<b>Net Assets</b>		<b>3,675,784</b>	<b>3,656,719</b>
<b>Funds</b>			
Unrestricted general funds		1,536,602	1,992,263
Designated Funds	17	1,860,000	1,500,000
Restricted funds	18	279,182	164,456
<b>Total Funds</b>	<b>19</b>	<b>3,675,784</b>	<b>3,656,719</b>

The Surplus for the financial year dealt with in the financial statements was £19,065.

The accounts on pages 32 to 50 were approved and authorised by the Trustees on 24 November 2022 and were signed on their behalf,



**Gillian Fawcett**  
Interim Chair

## Statement of Cash Flows

	2022	2021
Notes	£	£
<b>Cash flows from operating activities</b>		
<i>Net cash provided from operating activities</i>	52,864	1,143,751
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	12,134	12,603
Purchase of property, plant and equipment	(498,125)	(60,307)
<b><i>Net cash from investing activities</i></b>	<b>(485,991)</b>	<b>(47,704)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(433,127)</b>	<b>1,096,047</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,533,086</b>	<b>1,437,039</b>
<b>Cash and cash equivalents at end of year</b>	<b>2,099,959</b>	<b>2,533,086</b>
Reconciliation of net income to net cash from / (used in) operating activities		
	2022	2021
	£	£
Net surplus for the year	19,065	1,463,627
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(12,134)	(12,603)
Depreciation charges	368,782	84,449
(Increase) in debtors	(606,965)	(122,461)
Increase / (Decrease) in creditors	284,116	(269,261)
<b>Net cash provided from operating activities</b>	<b>52,864</b>	<b>1,143,751</b>
Analysis of cash and cash equivalents		
	2022	2022
	£	£
Cash at bank and in hand	2,099,959	2,533,086

## Notes to the Accounts

### 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **Basis of preparation**

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

Friends of the Earth Charitable Trust meets the definition of a public benefit entity under FRS 102 as set out on page 8.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant account policy notes.

This charity works closely with its sister company Friends of the Earth Limited. As at the balance sheet date, the boards of the two companies are separately controlled and no consolidation takes place in reflection of this arrangement.

#### **Preparation of accounts on a going concern basis**

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern for the foreseeable future. There are no material uncertainties about the charity's ability to continue in operational existence.

The review of our financial position, reserves levels and future plans gives Trustees confidence that the organisation remains a going concern for the foreseeable future.

As part of our going concern review we have ensured we have a balanced budget for 2022/23 and longer-term projections. Due to the current economic circumstances we are reviewing our financials to ensure we maintain a resilient organisation.

#### **Accounting judgements and estimates**

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions that affect the carrying value of assets, liabilities that are not readily apparent from other sources. The estimates and the assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## Notes to the Accounts – cont.

### Accounting judgements and estimates – cont.

The items in the accounts that are considered to involve critical judgements and sources of uncertainty through estimation, when applying FOECT accounting policies include:

- Revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note below from donors and for legacy income.
- Cost allocation methodology requires judgement as to the most appropriate bases to use to apportion overheads and governance costs between raising funds and the charitable expenditure.
- Expenditure relating to the development of the new CRM system has been capitalised as work in progress under fixed assets from the start of the project.
- The provision for costs associated with the restatement of leasehold properties at the end of the term of the lease.

### Income recognition

All income is recognised in the statement of financial activities. Once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably. Unrestricted income is available for expenditure approved by the board. Restricted income is available for expenditure in accordance with the purpose specified by the donor.

### Donations and legacies

These are included in full in the statement of financial activities. When there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Pecuniary legacies are recognised when probate has been obtained and there is no evidence of insufficient assets. Residuary legacies are recognised when probate has been obtained, estate accounts approved or an interim distribution approved by executors and there are no outstanding claims against the estate.

### Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

### Grants

Grants are recognised in full in the statement of financial activities. In the period in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

## Notes to the Accounts – cont.

### Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

### Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

#### Cost of raising funds

Includes costs incurred in seeking voluntary donations, as well as those incurred in recruiting new financial supporters. It does not include the costs of disseminating information in support of the charitable activities.

#### Expenditure on charitable activities

Comprises all direct costs incurred in pursuance of the Trust's objectives, as well as the costs of disseminating information in support of the charitable activities, allocated costs and support costs. Allocated costs are those of capacity building and regional networks that are directly working towards achieving our aims. Support costs comprise those services provided centrally that are identifiable in support of direct charitable purposes, including staff, IT, premises, facilities and other office costs.

Irrecoverable VAT is charged as a cost to the organisation.

#### Allocation of costs

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

#### Operating leases

Rental charges are charged on a straight-line basis over the life of the lease.

## Notes to the Accounts – cont.

### Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the statement of financial activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the statement of financial activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

### Fixed assets

Fixed assets are based on the substance of the asset rather than the value and stated at deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses with a de-minimis limit of £100 on the cost of the asset. Assets are depreciated in equal annual instalments over their estimated useful lives as follows:

Fixtures, fittings and leasehold improvements	Over the term of the lease
Furniture	10 years
Office equipment	4 years
Computers	3 years
Computer software	4 years

### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### Cash at bank and in hand

Cash at bank and cash 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.

### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

## Notes to the Accounts – cont.

### Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees for the objects of the charity. Restricted funds are those that are to be used according to specific instructions imposed by donor or trust deed. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

### Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Friends of the Earth operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Friends of the Earth Charitable Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

### Foreign currency translation

The charity's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the statement of financial activities.

### Legal status

Friends of the Earth Charitable Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

## Notes to the Accounts – cont.

### 2 Income from donations and legacies

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gifts and Donations (a)	7,422,410	7,316,003
Legacies (b)	1,001,218	1,282,806
Grants (c)	4,177,660	3,556,072
Donated services and goods (Gifts in Kind) (d)	258,194	337,382
<b>Total</b>	<b>12,859,482</b>	<b>12,492,263</b>

- (a) Included within Gifts and Donations are £338,658 of restricted grants and donations (2020/21: £234,860).
- (b) As at 30 June 2022 we have £1,739,053 (2020/21: £1,425,376) of legacies in the pipeline that do not meet the criteria for income recognition as set out in the accounting policy.
- (c) During the year we received a grant of £4.1m from Peoples Postcode Lottery (2021-nil) There was no grant from Friends of the Earth Limited (2020/21: £3,441,000).
- (d) We continued to receive a gift in kind for our search engine advertising from Google Ireland, worth £258,194 (2020/21 £337,382).

### 3 Income from charitable activities

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Restricted grants (a)	517,126	305,281
Other (b)	26,022	53,014
	<b>543,148</b>	<b>358,295</b>

- (a) Included within other income are furlough grants of £Nil (2020/21: 47,513) received under the Coronavirus Job Retention Scheme.

### 4 Income from other trading activities

The donations received as a result of the community events organised by Friends of the Earth Limited were £36,084 (2020/21: £52,118). In prior years, we received donations from the People's Postcode Lottery via the previous funding regime, this is now paid directly to the Friends of the Earth Charitable Trust.

## Notes to the Accounts – cont.

### 5 Income from investments

Investment income was bank interest of £11,694 (2020/21: £12,146) and dividends of £440 (2020/21: £457).

### 6 Analysis of direct charitable expenditure

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Grants given (a)	9,786,280	11,859,115
Support costs	1,727,623	1,342,390
Gifts in Kind	258,194-	337,382
<b>Charitable activities</b>	<b>11,772,097</b>	<b>13,538,887</b>

(a) Grants given includes the operational grant of £9,770,000 given to Friends of the Earth Ltd (2021: £11,854,000) with the balance grants provided to other organisations.

### 7 Analysis of support costs

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Finance (including Irrecoverable VAT)	1,703,134	1,312,802
Governance costs	24,489	29,588
	<b>1,727,623</b>	<b>1,342,390</b>

Governance costs include:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Board meetings, training, recruitment and Trustees expenses	-	-
Audit Fee	11,300	12,960
Legal & professional costs including Indemnity Insurance	13,189	16,628
	<b>24,489</b>	<b>29,588</b>

## Notes to the Accounts – cont.

### 8 Employee costs

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries	951,798	831,035
National Insurance	94,662	80,288
Pension	48,460	44,270
	<b><u>1,094,920</u></b>	<b><u>955,593</u></b>

The average number of employees during the period was 190 (2020/21: 173). Employees are jointly employed with Friends of the Earth Limited and employee costs above represent Friends of the Earth Charitable Trust's share of employee costs corresponding to fundraising activity undertaken for the Charitable Trust by those jointly employed members of staff.

Friends of the Earth operates a Group Personal Pension Plan for the benefit of its employees. This is a defined contribution scheme and is administered separately from the Charitable Trust. In 2021/22 the Charitable Trust matched contributions made by employees up to 7% of their salary (2020/21: 7%) and these costs are charged to the statement of financial activities as incurred.

All of the members of staff with emoluments in excess of £60,000 were jointly employed by Friends of the Earth Charitable Trust and Friends of the Earth Limited and their salary costs were split between them according to time spent. The table below shows the range of total emoluments received by higher paid staff. Emoluments include gross pay, taxable benefits and benefits in kind.

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Number of employees who earned		
- between £60,000 and £69,999	2	3
- between £70,000 and £79,999	2	1

The Trustees consider that the senior management team are the key management personnel of the charity running and operating the charity on a day-to-day basis. These staff included the 2 x Joint Co-Executive Directors, Director of Finance & Operations, Director of Income Generation, Director of Policy, Advocacy and Campaigns, Director of Communities and Networks and the Director of Engagement. The total emoluments paid to the eleven senior management staff under their joint contracts of employment were £530,959 (2020/21: £489,906).

## Notes to the Accounts – cont.

### 8 Employee costs – cont.

The Trustees' policy is to benchmark all staff salaries to the median point of the range for similar roles in similar charities of similar sizes. This includes the senior management team. In addition, we are an accredited living wage employer and we promote equality, inclusion and diversity at work. For more information, see our website: <https://www.foe.co.uk/page/our-commitment-diversity>.

### 9 Analysis of total expenditure

	2022	2021
	£	£
The surplus for the year is after charging:		
Depreciation	368,782	84,449
Auditors - audit	9,220	10,800
Auditors - other	-	-
Irrecoverable VAT	349,000	489,825
Payments under operating leases (note 12)	551,936	517,686

### 10 Trustees' remuneration and expenses

Trustees are not allowed to be paid for their services nor may they be paid employees. No Trustees have any interests in the company. During 2021/22 no Trustees were reimbursed for travel and incidental expenses in the period (2020/21: £nil).

### 11 Corporation tax

Friends of the Earth Charitable Trust is a registered charity and as such can claim exemption from corporation tax on its income under Part 11 of the Corporation Taxes Act 2010 and on its capital gains under section 257 of the Taxation of Chargeable Gains Act 1992.

### 12 Operating leases

The company leases property on short-term leases. The rents paid on these leases, and a share of others, were £517,686 (2020/21: £517,686) and are subject to re-negotiation at various intervals specified in the leases. The total commitments remaining, up to the break clause, are as follows:

## Notes to the Accounts – cont.

### 12 Operating leases – cont.

	2022	2021
Payments due:	£	£
Not later than one year	528,008	309,545
Later than one year and not later than five years	323,547	362,317
Later than five years	-	-
<b>Total</b>	<b>851,555</b>	<b>671,862</b>

### 13 Fixed assets

	Long Leasehold Improvements	Fixtures, fittings and Office Furniture	Computer and Office Equipment	Computer Software	Total Tangible Assets	Work in Progress new CRM system
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
Balance at 1 July 2021	995,933	185,752	54,689	129,704	1,366,078	60,418
Additions	-	-	-	-	-	498,125
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>995,933</b>	<b>185,752</b>	<b>54,689</b>	<b>129,704</b>	<b>1,366,078</b>	<b>558,543</b>
<b>Depreciation</b>						
Balance at 1 July 2021	485,933	140,624	54,689	129,704	810,950	-
Charge in the period	353,480	15,302	-	-	368,782	-
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>839,413</b>	<b>155,926</b>	<b>54,689</b>	<b>129,704</b>	<b>1,179,732</b>	<b>-</b>
<b>Net Book Value</b>						
<b>At 30 June 2022</b>	<b>156,520</b>	<b>29,826</b>	<b>-</b>	<b>-</b>	<b>186,346</b>	<b>558,543</b>
<b>At 30 June 2021</b>	<b>510,000</b>	<b>45,128</b>	<b>-</b>	<b>-</b>	<b>555,128</b>	<b>60,418</b>

## Notes to the Accounts – cont.

### 13 Fixed assets – cont.

The Trust also owns approximately one acre of woodland, near Bathampton, which lies within an area of special scientific interest and is managed by Bath and Somerset Wildlife Trust. The land was assessed as having a fair value of nil when it was donated.

CRM system work in progress represents costs toward the development of a new CRM system replacing the current system Care, which is expected to be completed by Spring 2023.

### 14 Investments

We hold a shareholding of 1,200 in the Triodos Renewables fund, given to us as part of a legacy, held at £1.80 per share. In 2013/14, we invested in 5,869 shares from Spirit of Lanarkshire Energy Co-op at £1 per share, offered to the public to fund development of a wind farm. In 2015/16 we invested £200,000 in an Ecobond, from Ecotricity for building new sources of green energy, receiving 6% annual interest. In 2017/18, we invested in shares worth £40,000 (21.6% share) in Friends of the Earth (Birmingham) Limited. These are held at best estimate of fair value as there is no active market.

### 15 Debtors

	2022	2021
	£	£
Trade debtors	8,073	3,680
Income tax recoverable (Gift Aid on donations received)	77,806	105,900
Prepayments and accrued income	281,613	362,553
Other debtors	726,101	5,995
	<b>1,093,593</b>	<b>478,128</b>

(a) Gift Aid on donations received

### 16 Creditors - due within one year

	2022	2021
	£	£
Trade creditors	67,154	167,488
Accruals	391,235	46,744
Other creditors	52,297	3,838
	<b>510,686</b>	<b>218,070</b>

## Notes to the Accounts – cont.

**17 Restricted funds**

**Restricted funds (2021/22)**

	<b>Balance</b>			<b>Balance</b>
	<b>1 July</b>	<b>Income</b>	<b>Expenditure</b>	<b>30 June</b>
	<b>2021</b>			<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Climate - General/Fossil Free	-	246,279	246,279	-
Climate - Net Zero	-	189,658	75,235	114,423
Sainsbury's - Divestment	52,003	100,691	76,944	75,750
COP 26	31,539	78,375	109,914	-
ECF - Whitehaven	-	75,000	75,000	-
Esmee Fairbairn - My World My Home	-	66,667	22,222	44,445
Phil Michaels' Legal Intern Fund	38,237	37,286	40,791	34,732
Richard Sandbrook - CYS Mentoring	-	31,300	24,141	7,159
Legal	-	24,738	24,738	-
Trade	-	5,000	5,000	-
Greener Streets	433	790	1,223	-
Julia Davies - Plastics	35,358	-	32,685	2,673
Cumbria - non ECF	6,886	-	6,886	-
<b>Total</b>	<b>164,456</b>	<b>855,784</b>	<b>741,058</b>	<b>279,182</b>

Restricted funds are received to fund specific pieces of work – most commonly a specific campaigning strand. In the year the largest of these received related to the My World My Home project supporting and educating young people funded by the National Lottery Community Fund.

The restricted funds balance as at 1<sup>st</sup> July 2021 and 1<sup>st</sup> July 2020 was previously not separately disclosed in the prior year financial statements. The opening balances at both these dates have been restated to disclose the balance against each restricted fund. This has not resulted to any change in overall funds or income or expenditure as reported in the Statement of Financial Activities.

## Notes to the Accounts – cont.

### 17 Restricted funds – cont.

#### Restricted funds (2020/21)

	Balance			Balance
	1 July	Income	Expenditure	30 June
	2020			2021
	£	£	£	£
Big Lottery Fund: Our Bright Future	1,024	118,589	119,613	-
Phil Michaels' Legal Intern Fund	36,666	44,588	43,017	38,237
Sainsbury's - Divestment	60,639	56,271	64,907	52,003
Julia Davies - Plastics	125,790		90,432	35,358
Climate Ambition	45,129	220,996	266,125	-
COP 26	-	52,754	21,215	31,539
Legal	-	14,213	14,213	-
Cumbria Coal mine	-	30,625	23,739.0	6,886.0
Trees	5,807		5,807	-
Greener Streets	-	2,105	1,672	433
<b>Total</b>	<b>275,055</b>	<b>540,141</b>	<b>650,740</b>	<b>164,456</b>

The other restricted income included grants broadly restricted to our programmes. The restricted funds were received for the following charitable activities:

	2022	2021
Charitable Activities	£	£
Climate	690,003	358,856
Nature	67,458	179,180
Other	98,324	2,105
	<b>855,785</b>	<b>540,141</b>

## Notes to the Accounts – cont.

### 18 Designated funds

	2022	2021
	£	£
New Customer Relationship Management (CRM) system (a)	1,150,000	1,000,000
Fundraising Investment Fund	500,000	500,000
Strategic projects including 10x greener	210,000	-
	<u>1,860,000</u>	<u>1,500,000</u>

As outlined in the reserves policy section above, the Trustees have agreed to designate funds for specific purposes:

(a) £1.15m has been designed for capital costs of the new CRM system, which will come into use in the Spring of 2023.

(b) The Fundraising Investment Fund of £500k will be used to develop an income generation strategy to provide investments in pilots and resourcing new initiatives.

c) We have designated £210k to fund strategic pilots and projects including 10x greener.

### 19 Analysis of net assets between funds

#### Analysis of net assets between funds (2021/22)

	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Fixed Assets	992,918	-	992,918
Net current assets	2,403,684	279,182	2,682,866
	<u>3,396,602</u>	<u>279,182</u>	<u>3,675,784</u>

## Notes to the Accounts – cont.

### 19 Analysis of net assets between funds – cont.

#### Analysis of net assets between funds (2020/21)

	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Fixed Assets	863,575	-	863,575
Net current assets	2,628,688	164,456	2,793,144
	<b>3,492,263</b>	<b>164,456</b>	<b>3,656,719</b>

### 20 Results of subsidiary

#### Friends of the Earth Climate Action Limited

The charity had a wholly owned trading subsidiary, Friends of the Earth Climate Action Limited, that was incorporated on 12 February 2020. From July 2021, income from the People's Postcode Lottery was received as a grant direct to the Trust. As a consequence, this subsidiary was dissolved on 15 February 2022 and all remaining balances transferred into the Trust.

	2022	2021
	£	£
<b>Income</b>		
People's Postcode Lottery	-	3,042,500
<b>Expenditure</b>		
Administrative expenses	-	393,871
Surplus		2,648,629
Amount gift aided to Friends of The Earth Charitable Trust	-	(2,648,629)
	_____	_____
	_____	_____
	-	-

## Notes to the Accounts – cont.

### 20 Results of subsidiary – cont.

The assets and liabilities of the subsidiary were

	2022	2021
	£	£
Current Assets		8,500
Creditors: amounts falling due within one year		(8,500)
<b>Total Net Assets</b>	<u>-</u>	<u>-</u>
<b>Total Reserves</b>	<u>-</u>	<u>-</u>

### 21. Liability of members

In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. At 30 June 2022 the number of members was 4 (2020/21: 5).

## Notes to the Accounts – cont.

### 22 Related Party Transactions

There were no related party transactions in the period.

### 23 Comparative Statement of Financial Activities

2020/21

		Unrestricted Funds	Restricted Funds	2021
	Notes	£	£	£
<b>Income</b>				
Donations and Legacies	2	12,257,403	234,860	12,492,263
Charitable activities	3	53,014	305,281	358,295
Other trading activities	4	3,094,915	-	3,094,915
Investments	5	12,603	-	12,603
<b>Total income</b>		<b>15,417,935</b>	<b>540,141</b>	<b>15,958,076</b>
<b>Expenditure</b>				
Raising funds		955,562	-	955,562
Charitable activities	6,7	12,888,147	650,740	13,538,887
<b>Total expenditure</b>	8-11	<b>13,843,709</b>	<b>650,740</b>	<b>14,494,449</b>
<b>Net movements in funds</b>		<b>1,574,226</b>	<b>(110,599)</b>	<b>1,463,627</b>
<b>Funds brought forward</b>		1,918,037	275,055	2,193,092
<b>Funds at 30 June 2020</b>	18	<b>3,492,263</b>	<b>164,456</b>	<b>3,656,719</b>

**FRIENDS OF THE EARTH CHARITABLE TRUST**

England & Wales - Charity number 281681

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# Accounts

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**Friends of the Earth Charitable Trust  
Report and Accounts  
for the year ended 30 June 2021**

## Contents

<b>Reference and administrative details</b>	<b>3</b>
<b>About Friends of the Earth</b>	<b>4</b>
<b>Chair's statement</b>	<b>5</b>
<b>Co-Executive Directors' statement</b>	<b>6</b>
<b>Trustees' and Strategic Report</b>	<b>7</b>
- Our object and activities	7
- Our achievements in 2020/21	9
- Coronavirus 2020/21	16
- Fundraising	17
- Financial review (including reserves and investment policy)	19
- Our plans for 2021/22	22
- Our people	23
- Our policies	25
- Governance (including risk management)	26
<b>Independent Auditors' Report</b>	<b>29</b>
<b>Consolidated Statement of Financial Activities</b>	<b>34</b>
<b>Consolidated Balance Sheet</b>	<b>35</b>
<b>Consolidated Statement of Cash Flows</b>	<b>36</b>
<b>Notes to the Accounts</b>	<b>37</b>



## Reference and administrative details

Friends of the Earth Charitable Trust is a company limited by guarantee (registered 10 December 1980), not having a share capital, and is also a registered charity (registered 6 January 1981) governed by its memorandum and articles of association.

**Company Registration Number:** 01533942  
**Registered Charity Number:** 281681  
**Registered office:** The Printworks  
1st Floor, 139 Clapham Road  
London, SW9 0HP  
**Country of incorporation:** England and Wales

### Trustees

The Trustees, who are the Directors of the company for the purposes of the Companies Act, are responsible for setting policy and agreeing strategy. Trustees who held office during the period were:

F Butler  
G Fawcett  
L K Hand  
J B Southworth  
M Oley (appointed 10 June 2021)

**Co-Executive Directors:** H Knowles and M Turner (permanently appointed 27 October 2020; interim since 8 February 2020)  
**Company Secretary:** H Ashley Taylor

The day-to-day management is delegated to the Co-Executive Directors, the Senior Leadership Team (made up of employees selected for their expertise in the various activities of the organisation) and the Trust's other staff. The charity has its own Trust Director who serves as an independent governance secretary to the Board of Trustees, supporting with meetings and charity governance matters affecting the Trust. The Trust Director reports to the Chair and the Trustees and has no other role in the charity or any of its grantees.

### Auditor

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW, UK

### Bankers

Co-operative Bank plc  
Manchester Business  
Centre  
1 Balloon Street  
Manchester, M60 4EP

### Solicitors

Bates Wells & Braithwaite  
10 Queen Street Place  
London, EC4R 1AG

## About Friends of the Earth

The natural world has experienced unprecedented disruption in recent years. And it is people as well as the environment that suffer as a result.

For over 50 years, we've been dedicated to the protection of the natural world and the wellbeing of everyone in it. Our international community brings together more than two million people in 73 countries, combining people power all over the world to make an even greater difference and transforming local actions into global impact.

We lead campaigns, provide resources and information and promote alternative solutions to create a cleaner, healthier and fairer world for everyone, for today and for generations to come.

In the UK, we've been responsible for making recycling not just a household word, but a household habit. We successfully campaigned for the world's first climate change law, the Climate Change Act 2008, which paved the way for similar legislation around the world. Our combined strength has meant we have been able to push back against drilling for fossil fuels, ensure legal protection from pesticides for bees, and most recently help secure the refusal of planning permission for a new opencast coal mine at Druridge Bay.

Working together with local groups, experts, business leaders and politicians we push for change around the issues and causes that matter to you – protecting your home and local environment, promoting safe and healthy food and water across the globe and supporting alternative energy solutions that can change the world for the better. Whether you are a first-time supporter or a seasoned campaigner, we're with you every step of the way, supporting communities, defending human rights, protecting nature, moving mountains.

Together with us your voice is louder, your actions more significant and your impact greater. Together with you, we are determined to change the world for good.



## Chair's statement

The Covid-19 pandemic has highlighted the importance of our connections.

Separated from family, friends and community, many of us have found solace in nature and been reminded of how important those connections are for our wellbeing.

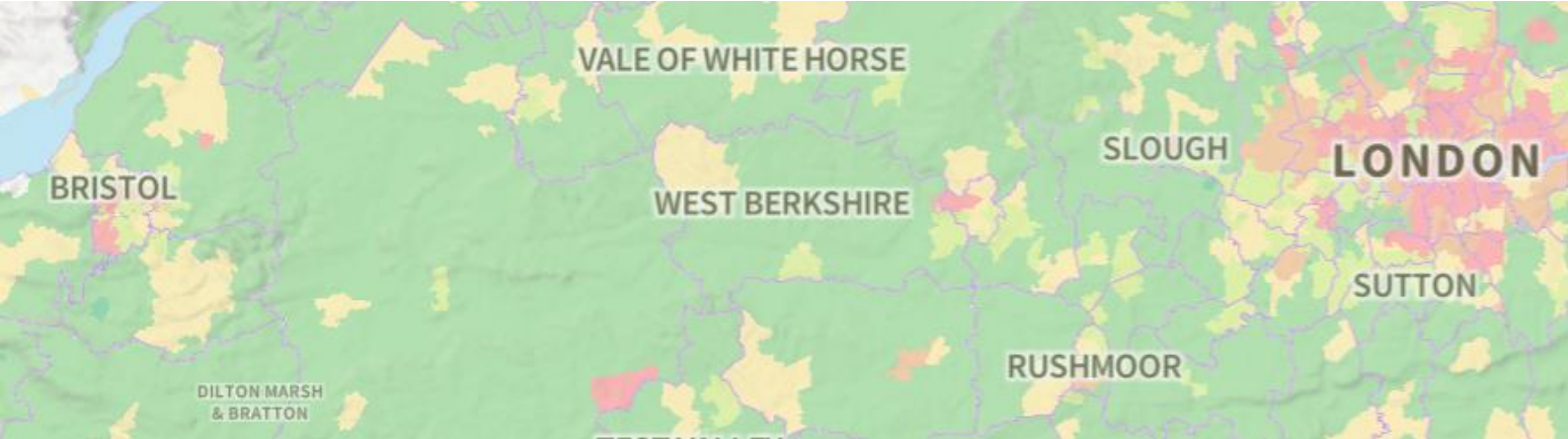
The importance placed on connections and shared values within the Friends of the Earth family has proved to be invaluable over the last year.

I am proud of the work undertaken by our staff in adapting their work to maintain progress towards our mission.

Over the past year our individual supporters have maintained their support for our work despite having to cope with the pandemic. Players of the People's Postcode Lottery have continued to make a sizeable contribution to our work, and foundations and trusts have also remained committed to collaboration.

In turn we have supported the move of support for grassroots groups online. We have also supported efforts to diversify the voices heard within our movement and to stand in solidarity with the rest of Friends of the Earth's global movement.

Benedict Southworth  
Chair



## Co-Executive Directors' statement

Over the course of 2020-21, Friends of the Earth Charitable Trust was able to maintain strong fundraising efforts, diversify its range of grantees and make further strides in governance and operations. Building on the success of our quick response to stabilise income at the start of the pandemic, the Individual Giving programme remained strong and we ended the year with a gross income growth of 9.9% in fundraising.

Building on progress last year to directly support environmental efforts at the local and global level, grants were awarded to 9 Climate Action Groups and 9 Local Groups via the Trust's Climate Action and Local Group Funds. A new BAME Fund was also established this year.

The Charitable Trust continued to progress its governance and operations following Friends of the Earth's restructure in July 2018. This year we have invested significant resource in reviewing and updating our safeguarding policies and practices to ensure we can protect our staff, supporters and community networks.

As ever we are grateful to the dedication of our staff, supporters, partners and Trustees in making our work this year possible.

Hugh Knowles and Miriam Turner  
Co-Executive Directors

## Trustees' and Strategic report

The Trustees are pleased to present their Trustees' and strategic report, together with the financial statements, for the year ending 30 June 2021. The financial statements comply with current statutory requirements, the memorandum and Articles of Association and the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities (FRS 102).

### Our object and activities

#### Our purposes and aims

Friends of the Earth Charitable Trust is dedicated to achieving the following charitable objectives:

- The conservation, protection and sustainable use for the public benefit of the Earth's natural environment, including biodiversity, atmosphere, water, land and natural resources.
- The advancement of education for the public benefit and, in particular, the advancement of education in ecology, natural history, resource conservation, sustainable development and environment studies.
- The promotion of sustainable development for the benefit of the public by
  - (i) the preservation, conservation and the protection of the environment and the prudent use of natural resources; and
  - (ii) conducting or commissioning research and publishing the results of such research.

'Sustainable development' means improving the quality of life while living within the carrying capacity of supporting ecosystems and the natural environment.

We aim to achieve these objects by funding work that falls within the categories of climate, nature and health. This report sets out how these objects were achieved in the year ending 30 June 2021, the proposals for the fulfilment of the charitable objects during 2021/22 and how we plan to fulfil the charitable objects for the public benefit in future years.

In carrying out its objects for the public benefit, Friends of the Earth Charitable Trust continues its long-term association with other Friends of the Earth environmental groups, both locally and internationally, in order to increase the effectiveness of its charitable work for the public benefit. This association is acknowledged within the Articles of Association that govern the charitable company.

#### Our grant making policy

All work funded by the Trust must fall within the charitable objects stated above and must comply with all legal and regulatory requirements for UK registered charities. We fulfil our charitable objects for the public benefit by providing grant funding to organisations with

purposes and aims similar to those of our charity. Trustees regularly review the most effective ways to further the charity's objects for the public benefit. Trustees agree the primary funding areas for each year and retain complete discretion to approve or reject any grant application. The Trustees aim to diversify the range of grantees to which it provides grant funding in future years.

The Trust has grant monitoring procedures in place to ensure that all charitable funds are spent solely on charitable activities to further the charitable objects in accordance with the conditions attached to the grant in the written grant agreement.

### **Public Benefit Statement**

The Trustees recognise that the work of the charity seeks to provide long-term public benefit that will support communities, including the wider international community, in the years to come; the impact of the charity's work may not always be evident immediately in the year the work is carried out.

Our work to date has benefited the public by commissioning research, raising awareness, and campaigning on issues of major public concern including climate change, environmental protection, biodiversity and sustainable development. The Trust welcomes people from all sections of society as supporters and its campaigning and awareness raising on environmental matters is directed to all in society. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

## Our achievements in 2020/21

While Friends of the Earth Charitable Trust does not set targets outside of our annual budget (including income generation and grant expenditure), we carefully assess and monitor the aims and progress of our grantees to ensure that our charitable objects are being achieved and that our grant funding is being maximised. Our largest grantee, Friends of the Earth Limited, sets clear objectives and key results (OKRs) as part of its annual business planning process. Its organisational OKRs were to:

1. Reduce the UK's carbon emissions quickly and fairly through local climate actions plans and national interventions;
2. Create support for justice-based responses to the ecological crisis;
3. Build an inclusive organisation and network;
4. Sustain, grow and diversify a movement strong enough to tackle the climate and ecological crises;
5. Defend environmental rights and challenge environmental injustices, particularly for the worst affected.

Achievements against these objectives are outlined below. In 2021/22, Friends of the Earth Limited will also be extending its monitoring and evaluation framework to include both OKRs and Key Performance Indicators (KPIs), which will measure foundational organisational health in various areas.

This year Friends of the Earth Charitable Trust was proud to fund a wide variety of activities that aimed to tackle the climate and ecological crises in a fair and just way. Without the support of our donors, funders and financial supporters, the activities and achievements we funded this year would not have been possible.



**28,000  
CLIMATE  
FRIENDLY  
JOBS  
COULD BE  
CREATED  
IN THE  
WEST  
MIDLANDS**



75% of councils have a climate action plan in place



Stood with our sister organisations across the globe



Launch of Green Space Map highlighted most green space deprived areas



Launch of our new BAME Fund



9 Climate Action Groups and 9 Local Groups awarded grants



Over 100 training sessions delivered to the Friends of the Earth network



45 students completed the My World My Home further education programme



2,000 councillors signed a joint letter against proposed planning reforms



2050 tree cover target included in England Tree Action Plan



Partnerships built with groups currently underrepresented in the movement

## **Climate**

As made abundantly clear by the latest IPCC report, it is essential that we act now to tackle the climate emergency and prevent irreparable damage to our planet. At the same time, we must ensure that the transition is fair and changes all lives for the better, leaving no-one behind. Our funding this year aimed to support a quick and just reduction in UK carbon emissions through climate action plans, a green and fair recovery from the Covid-19 pandemic and opposition to high carbon infrastructure.

Our grant enabled Friends of the Earth Limited, alongside the work of others in the movement, to contribute to the adoption of climate action plans at the local, regional and national level. 75% of councils now have climate action plans in place, while 75% of metro mayors and 41% of the Welsh Senedd have committed to introducing a strong climate action plan in their area. Friends of the Earth Northern Ireland, part of Friends of the Earth Limited, has also been instrumental in creating and lobbying for the Climate Bill currently making its way through the Northern Ireland Assembly. This vital work will help drive bold and ambitious climate action and allow the public to hold all levels of devolved government to account on tackling the climate crisis.

Our funding also supported Friends of the Earth Limited's campaign for a green and fair recovery from the Covid-19 pandemic. Over 250,000 people signed its petition to the government and, with support from People's Postcode Lottery, Teach the Future, the National Union of Students and Students Organising For Sustainability UK, it also published a Green Jobs Report on creating green jobs for young people. This report aimed to address both the climate and youth unemployment emergencies.

Two additional successes this year were the government's decisions to refuse planning permission for a new opencast coal mine at Druridge Bay and to end support for fossil fuel projects abroad, both of which Friends of the Earth Limited was instrumental in campaigning for with the help of our grant.

Our Climate Action Fund also enabled us to support the activities of 9 Friends of the Earth Climate Action Groups tackling the climate crisis in their local area. For example, Climate Action Preston was able to launch two community projects focused on reducing waste, emissions and consumerism while also helping local people learn more about the climate emergency. Other groups used our grants for events, promotional and marketing materials, training and technology support as they adapted to the pandemic.

## **Nature**

As equally pressing as the climate emergency is the ecological crisis, which sees wildlife across the world facing mass extinction, the destruction of green space and our increasing separation from nature and all its benefits. This year we supported efforts to tackle the ecological crisis in ways that also focused on justice, protecting everyone's right to a healthy environment.

We continued our funding of Friends of the Earth Limited's campaign to double tree cover in its final year. Although it was ultimately unable to achieve a commitment from the

government to double UK tree cover, the England Tree Action Plan published in May 2021 did include a 2050 target where previous drafts hadn't, even if a 12% increase is disappointingly low. The organisation did however hold a Tree Summit, through which it was able to obtain confirmation from Forestry Minister Zac Goldsmith that existing tree targets are a minimum rather than a ceiling. The government has also unlocked more funding for councils to increase tree cover on their land, the first time it has done so.

This year's funding of other nature-focused work by Friends of the Earth Limited included an interactive Green Space Map, which identifies the neighbourhoods that are most green space deprived in England and highlights the extent to which the country's black and brown communities are disproportionately affected. Its petition calling on government action to prevent mass extinction also garnered over 160,000 signatures.

While internal capacity and an organisational strategy refresh has delayed Friends of the Earth Limited's development of a new nature campaign, we expect a campaign that has justice at its heart to launch in the first half of 2022 and are continuing our funding for it into 2021-22.

## **Inclusivity**

We need a diverse range of voices to solve global problems and achieve social justice – this includes a wide and inclusive range of local communities with the power to campaign for solutions. A key priority for Friends of the Earth as a whole this year was therefore to build a more inclusive organisation with a particular focus on race and ethnicity, and through our grant Friends of the Earth Limited also worked to build a more inclusive network, again with a focus on race and ethnicity.

With the support of our funding, Friends of the Limited as our delivery partner has taken steps to increase the whole organisation's diversity and inclusivity internally. While we are still in the early stages of our journey towards becoming an actively anti-racist organisation, it has successfully partnered with diversity and inclusion specialists Full Colour to design a programme of work that can be rolled out during the next business year. It has also developed an internal communications guide to help ensure that our communications reflect the diversity of the UK and the people and groups in our network.

Friends of the Earth Limited has also introduced two placements for young people via the government's Kickstart Scheme, which funds employment opportunities for 16-24 year olds on Universal Credit, and plans to take on more Kickstart placements, as well as developing further entry-level opportunities for young people within the organisation. While the Kickstart Scheme is government-funded, it nevertheless contributes to the diversity of the Trust's staff body.



Friends of the Earth Limited has begun delivering anti-racism training to its network of community groups, although we would like to see increased take-up of this going forwards. During the year it has also built relationships and partnerships with groups currently underrepresented in the movement so that they can tackle environmental struggles together – these include Climate Cymru in Wales and Include Youth in Northern Ireland.

Friends of the Earth Limited’s new strategy emphasises the need to continue this important work on inclusivity, ensuring that it is listening to and building the power of those suffering most now due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transition. The Trust is very committed to funding this journey through to completion, and while there is still a long way to go, we are encouraged by the progress made so far and recognise the importance of taking the time needed to ensure that this work is authentic and meaningful.

For the first time this year, the Trust was also proud to establish a BAME Fund, which aims to support BAME groups and communities with environmental justice projects. We awarded Leicester’s The Race Equality Centre with a grant to fund garden projects – in collaboration with Friends of the Earth Leicester, local volunteers will create community gardens at the African Caribbean Centre and Caribbean Court Day Centre, bringing together the community and greening deprived neighbourhoods.

### **Movement building**

Friends of the Earth has always recognised the importance of people power, whether individuals, groups or whole communities. Our goal this year was to invest in the sustenance, growth and diversification of a movement strong enough to tackle the climate and ecological crises.

Thanks to our grant, Friends of the Earth Limited was able to significantly ramp up its training programme during 2020/21, providing its network of around 130 Local Groups and over 270 Climate Action Groups (78 new this year) with well over 100 webinars and events designed to empower, upskill and inspire. These were very well received by the network, with more than 2,300 sign-ups over the course of the year. Friends of the Earth Limited has also been developing a new approach to engagement that will help it foreground the stories and voices of the communities with whom it works, and the Trust looks forward to this coming to fruition in 2021/22.

Through our Local Group Fund, we were able to support 9 Friends of the Earth Local Groups with a variety of local environmental activities, for example producing campaign resources, purchasing tree planting equipment, commissioning an ecological survey and organising an awareness-raising shop window display in collaboration with local schools. Due to disrupted and paused work resulting from the pandemic, we were sadly unable to provide any grants from our Youth Fund this year, but our intention is to restart this Fund in the new financial year. We were pleased that 45 college students completed Friends of the Earth Limited's My World My Home further education programme in a year during which teaching and education were particularly difficult.

Our supporter base and fundraising programme both saw modest growth, with over 30,000 new supporters, over 12,000 new single and regular givers and overall year-end income of £15.9m, £5.8m more than 2019/20 (largely due to receiving People's Postcode Lottery income). In a year dominated by the ongoing pandemic, this growth is a testament to our supporters' and donors' generosity and their commitment to our cause. While our financial situation at year-end was better than anticipated, we maintain a cautious approach heading into 2021/22, recognising that the economic fall-out from the pandemic has not yet been fully felt. See pages 17-21 for our fundraising and financial review.

## **Environmental rights and justice**

For centuries, the social, political and economic systems under which we live have fuelled the climate and ecological crises and entrenched injustice and inequality. We need to use the tools at our disposal to change systems so that they benefit both people and planet. This year we therefore funded efforts to defend environmental rights and challenge environmental injustices, particularly for those worst affected.

Our grant allowed Friends of the Earth Limited to oppose the government's proposed planning reforms, building significant backbench and local opposition, for example via a sign-on letter in collaboration with CPRE that received over 2,000 signatures from councillors in England. This work has increased awareness of and support for local democratic scrutiny and key safeguards, and it is anticipated that the proposed changes will be lessened.

Both at home and internationally, our largest grantee has worked hard to defend human rights and civil liberties. Solidarity for Friends of the Earth sister organisations across the globe has seen it support Friends of the Earth International colleagues in countries such as Mozambique, Bulgaria, Palestine, Columbia, Uganda and Bangladesh. At home it has largely focused on developing opposition to the Police, Crime, Sentencing and Courts Bill,

which threatens the right to peaceful protest and aims to criminalise the way of life of nomadic Gypsy, Roma and Traveller communities. In collaboration with Liberty and other groups, Friends of the Earth Limited handed in a joint petition with around 600,000 signees (over 97,000 from Friends of the Earth supporters) and an open letter from over 250 organisations.

## **Operations**

In order to achieve our objects and aims, it is also important to ensure that we have robust operations. A particular focus this year has been on investment in a new Customer Relationship Management (CRM) system – we have partnered with the software company Felinesoft and currently the project is on track, with the discovery phase underway to ensure that the organisation’s business processes and needs are fully addressed.



## Coronavirus 2020/21

The key event of the year, for both the organisation and the world, has been the effect of the Covid-19 pandemic. To say that Covid affected the organisation would be an understatement, but we have acted with professionalism and empathy towards our donors and staff to ensure that our impact on tackling the climate crisis was not diminished.

When the pandemic first hit, we recognised that it was not appropriate to continue our fundraising. Instead, we paused donor appeals during the early stages of the first lockdown and ensured continued engagement and connection with our donors through messages of comfort and support. We also cancelled all in-person engagement events with major donors and moved to virtual ones, thereby complying with government guidelines and protecting the health of our donors and staff.

We carefully monitored the work of our main grantee, Friends of the Earth Limited, to adapt to the pandemic, ensuring continued impact despite the circumstances. Some of the measures it put in place were:

- Forming an internal Covid-19 working group, which first convened on 4 March 2020 and met regularly throughout 2020/21, to assess the impact of the pandemic and manage organisational response. This group continues to regularly provide staff with advice and guidance.
- Moving to home working (ahead of government advice to do so) – this included providing office equipment, wellbeing support and training to managers and staff and procuring an external coaching service through which staff could discuss professional and/or personal matters in confidence.
- Ensuring our offices were Covid secure and following health & safety best practice (even though our offices were closed for much of the year). Our offices are now open to those who wish to attend (subject to a negative lateral flow test or two vaccinations, as well as risk assessments for any in-person meetings or events), although most staff are still working from home.
- Providing guidance and support to its group network, including developing resources and training for groups to move their activities online and supporting them in taking online action for key mobilisation moments (particularly its Week of Action for a Green and Fair Recovery and the 2021 elections). Despite Covid, the group network has grown from 271 to 349 groups due to the quality of the support provided, increasing the number of local interventions on environmental issues that our grantee and its network is able to make.

Our grantee has reported that in many ways its connection as an organisation has become deeper, with the move to fully virtual meetings helping our various regional offices feel more connected.

Homeworking has largely been a success and has not affected organisational impact. The grantee intends to move to a hybrid working set-up in 2022, with most staff combining home and office working to varying degrees, and is currently in the early stages of developing the strategy, policy and principles needed to support this new way of working.

## Fundraising

### Fundraising performance

In the year under review, the total income raised was £15.9m, an increase of 58% on the £10.1m raised in the previous year. This was largely due to new income from the People's Postcode Lottery totalling £3m, which was received by Friends of the Earth Climate Action Limited (a subsidiary of Friends of the Earth Charitable Trust) and had previously been received by Friends of the Earth Limited.

Gifts and donations for the period totalled £7.1m, compared with £6.4m in the previous year. This equates to an increase of £40k or 10% year-on-year. This is a result of improved performance across a number of income streams, primarily Individual Giving, which saw an increase of £285k compared to the previous year. Other fundraising areas that saw an improved performance in 2020/21 were Philanthropy and Corporate Partnerships.

Legacy income totalled £1.3m, a decrease on the previous year's total of £1.5m. Despite its unpredictability, our legacy income remains stable year-on-year. This demonstrates the long-term relationships supporters hold with us, and their desire to continue support for our mission in their name.

Grants received in the year increased significantly because of the £3.4m qualifying charitable donation from Friends of the Earth Limited, which was only £700k in 2019/20. The value of gifts in kind received in 2020/21 decreased slightly from 2019/20, totalling £337,382.

Our forecasts for 2021/22 predict a more stable year for income generation as we emerge from the most disruptive phase of the global Covid-19 crisis. A downturn in the UK economic outlook would pose challenges to our fundraising efforts, but it remains to be seen how deeply our donors, funders and partners would be impacted. In the first 15 months of the Covid-19 crisis, donations remained stable, demonstrating the commitment and motivation of our donors and funders to see the continuation of our mission. The breadth of our supporter base provides financial resilience as we proceed with caution into the next stage of the pandemic.

We will continue work on reaching and engaging with new audiences motivated to tackle the climate and ecological crises via financial contributions. There remains high awareness of and concern for environmental issues, with a particular desire to ensure a green and fair recovery from the Covid-19 pandemic. Friends of the Earth Charitable Trust's grant giving will continue to further this vital work, thanks to the ongoing generosity of our donors.

### Regulation

We generate funds through a range of techniques, including printed communications, telephone fundraising and a variety of digital fundraising activity. We continue to work with carefully selected third-party suppliers in relation to various aspects of our fundraising activity. We establish strategic partnerships with agencies or freelancers to enhance the quality and impact of our fundraising activity. Examples of this work include creative development of fundraising communications, printing and mailing services, response handling and donor stewardship. We work with professional fundraisers at

telephone agencies in order to carry out high quality and engaging conversations about the impact of their support on our work, and the variety of ways in which they can consider supporting us further. All professional fundraisers working on our behalf undergo regular training on compliance and quality standards and are fully briefed on the work of the organisation.

We are registered with the Fundraising Regulator and continue to be a member of both the Chartered Institute of Fundraising and the Direct Marketing Association. We have had no non-compliance with the Fundraising Regulator in 2020/21. Any third-party suppliers who are in contact with our supporters have a vulnerable people policy in place and meet the same high-quality standards as our own. Partner agencies hold membership with the relevant membership body, such as the Direct Marketing Association, which requires compliance with a broad range of regulations and best practice policies.

We continue to monitor and respond to developments in fundraising regulation and all other relevant regulation, including GDPR. We continue to adhere to the highest standards of practice in fundraising, data protection and communications.

We have a Supporter Promise and complaints procedure, which are regularly signposted for supporters to ensure they are aware of the high standards we hold in our supporter relations work, and how they can get in touch with any questions or comments. In 2020/21 we received 36 direct complaints about fundraising activity or processes. All were resolved and no complaints were received through the Fundraising Regulator. We have a vulnerable persons policy, and our fundraising teams have completed safeguarding training and comply with our safeguarding policy throughout their work.



## Financial review

### Overall financial performance

Our initial fears regarding the potential effect of the Covid-19 pandemic on our income did not come to pass. This can be attributed in part to the government support provided via the Coronavirus Job Retention Scheme (furlough) throughout the year, which helped prevent economic decline, but also to the loyalty of our donors. The majority of our income is from individuals – whether through regular giving, one-off donations or transformational legacy gifts. We remain grateful to the many individuals who contribute to our cause, without whom our important work would not be possible.

In the year our income was £15.9m, an increase of £5.8m on 2019/20. A key reason for this increase was the receipt of People's Postcode Lottery income totalling £3m. Previously this was paid as lottery income to our sister organisation and largest grantee, Friends of the Earth Limited, but, due to a change in People's Postcode Lottery's funding mechanism, this income is now received by the Trust in the form of a grant. The other driver was an increase in the qualifying charitable donation from Friends of the Earth Limited due to increased lottery income in 2019/20.

We also made grants to our grassroots network through our Climate Action and Local Group Funds. Due to Covid-19 curtailing in-person group activities, the total spend in 2020/21 was £2,967, which funded areas such as events, campaign resources, training and technology support. We also made our first grant under our new BAME Fund to The Race Equality Centre, which works to challenge racism and support BAME community projects in Leicester. The grant of £500 will enable community gardens in green space deprived neighbourhoods. The establishment of this fund is an important first step as we look to ensure more diversity and inclusion in our work.

Expenditure was £14.4m, an increase of £4.7m on the previous year. Much of the increase was due to the People's Postcode Lottery income received by the Trust and granted to Friends of the Earth Limited so that it could continue delivering against our charitable objectives. The remaining expenditure related to our fundraising activities and office costs.

### Reserves policy

During the year the organisation's reserves policy was reviewed by Trustees. Trustees recognise their duty of care to maintain an appropriate level of reserves. We have never been in more uncertain economic times, and the Trustees are also aware of the potential vulnerability in our income, which means that we need to take an even more prudent approach. While we are grateful for the grant from People's Postcode Lottery, we are also aware that this is only guaranteed for a three-year period, and, as this grant is 24% of our income, we need to diversify our income streams to protect our income base in the future.

When considering the reserves policy, Trustees took into account Friends of the Earth's organisational structure overall. The Trust's remit is to raise charitable funds and provide grants to organisations for charitable activities that further its objectives, including Friends of the Earth Limited. As such there is a funding relationship between the two entities. Where it has a long-term and formal relationship with a grantee, Friends of the

Earth Charitable Trust needs to ensure long-term continuation of the grantee's charitable activities.

Consequently, the final reserves policy is multifaceted to ensure our operating expenses and ongoing commitments are secure, coupled with a desire to diversify for and invest in the future. The resulting reserves policy framework is as follows:

Area	Rationale	£
<b>Operating expenses of the Trust</b>	2-4 months of operating expenditure based upon annual budget (£0.34-0.68m per annum)	<b>0.68m</b>
<b>Continuation of charitable activities</b>	10% of grant to main grantee	<b>1.2m</b>
<b>Continuation of small grant programme</b>		<b>25k</b>
<b>Appropriate reserves level</b>		<b>1.905m</b>

At the end of the year, the reserves of the organisation were £3.7m, which is above the minimum level. We do however have spending commitments, which mean we have the following designated funds:

Area	Rationale	£
<b>Customer Relationship Management (CRM) system</b>	Organisational CRM system investment to replace current ageing system	<b>1m</b>
<b>Fundraising Investment Fund</b>	To diversify income	<b>0.5m</b>
<b>Designated Fund</b>		<b>1.5m</b>

The designated funds were agreed by Trustees to include £1m allocated to the capital costs of the new CRM system, which will come into use in the autumn of 2022. The funds will be allocated over 4 years in line with the depreciation for the new system.

We recognise that we need to diversify our income to provide resilience for the future. In the first six months of 2021/22 we will be developing an Income Generation Strategy to guide our future fundraising ambition. The Fundraising Investment Fund of £500k will be used to provide investments in pilots and resourcing new initiatives.

This takes our total required reserves to £3.4m. At £3.7m we are slightly over our reserves level, but as we move into 2021/22, with ongoing concerns regarding the effect of Covid-19 on the wider economy coupled with the need to invest in the future, the Trustees are content to have reserves at this level.

### Going Concern

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern for the foreseeable future. There are no material uncertainties about the charity's ability to continue in operational existence.

We are operating in uncertain times, and the Covid-19 pandemic underlined the need to have a resilient, agile organisation. Due to the continued support of our donors, we managed to end the year with increased reserves, allowing us to invest for the future via strategic strengthening initiatives. The economic circumstances ahead mean we take a prudent approach to budgeting. As part of our going concern review, we have ensured we have a balanced budget for 2021/22 and a draft forecast for 2022/23. We are also in the process of completing longer-term financial projections with inbuilt scenario analysis so that we can plan and react to changing circumstances.

### **Investment policy**

The charity has an ethical investment policy to ensure that its investments do not conflict with its aims. The primary objective of the policy is to ensure that the current value of reserves is, as a minimum, maintained. It is expected that the majority of investments will be in cash or near cash holdings. During the year, the Trust did not have any investments.

## **Our plans for 2021/22**

Friends of the Earth Charitable Trust's role is as a grant-making organisation, harnessing public and partner funding to support organisations with objectives that further our mission.

In 2020/21 we were pleased to maintain the diversified range of grantees to which we award funds, and diversification will continue to be a focus for us going forwards.

In June 2021 we approved a large operational grant application from Friends of the Earth Limited for charitable activities in 2021/22. Our funding will support this grantee in consolidating the progress it has made on its existing campaigns, including around securing climate action plans, opposing fossil fuel projects and defending against threats to civil liberties.

It will also allow Friends of the Earth Limited to launch new justice-based climate and nature campaigns in the first half of 2022 – as per the organisation's new strategy, these campaigns will be informed by insights gathered from an evolved network, including those currently vulnerable to climate and ecological breakdown and those most at risk of not participating in, or benefiting from, the transition, both here and overseas. The Trust will also be investing in data projects run by Friends of the Earth Limited that aim to bolster the rigorous evidence and insights on which its activism and campaigns are based.

Our grant to Friends of the Earth Limited will contribute to:

- Building even more community power to win its existing campaigns and inform new ones.
- Winning its campaign against UK government support for fossil fuels and developing a new justice-focused campaign package.
- Ensuring that those worst affected by the climate and ecological crises, as well as those most at risk of being excluded from the transition to a greener and fairer world, are able to inform its work.
- Defending communities' rights to protect their environment and challenge environmental injustices, particularly for the worst affected.

We will also invest in growing and diversifying our fundraising portfolio and will progress our ongoing CRM project.

We will continue supporting local communities in tackling the climate and ecological emergencies through our Climate Action and Local Group Funds. We will also restart our Youth Fund and hope to scale up our new BAME Fund. As always, we will look to fund other activities that support our objectives as they arise throughout 2021/22.

## Our people

### Staff

Friends of the Earth employs around 170 staff, with offices in London, Belfast, Cardiff, Birmingham, Leeds, Manchester, Bristol and Brighton. This year we moved into new, more flexible workspaces in Brighton and Cardiff. Staff costs are detailed in Note 8 to the accounts.

In 2018 Friends of the Earth conducted a salary review exercise and amended our pay scale structure against sector benchmarks. This enabled us to have a transparent and consistent structure.

Trustees, together with the Board of Friends of the Earth Limited, appointed our new Co-Executive Directors, Hugh Knowles and Miriam Turner, in October 2020. We are proud that, for the first time in our history, this role is held by a job share and a woman.

### Gender pay gap

We have a structured pay scale within the organisation, with all positions allocated a score and band following a job grading process. Upon recruitment, staff generally start at the mid-point of the band, unless they are viewed to be developing into the role based on their prior experience

While it is disappointing to see an increase in our gender pay gap having almost eliminated it last year, the change is due to turnover shifting the composition of the staffing team, particularly at middle management level. We were pleased to recruit more staff in regional locations across England, Wales and Northern Ireland during the year, although this also affects the gender pay gap due to the absence of London weighting.

According to the Office for National Statistics, the national gender pay gap across all employees was 15.5% in 2020. Information on our gender pay gap as of 30 June 2021 can be found below.

### Median

The median gender pay gap (the middle value of hourly rates) for all staff was 3.48% in favour of men. For full-time staff the gap was 5.96% in favour of men and for part-time staff it was 2.18% in favour of men.

### Mean

The mean gender pay gap (the average hourly rate) for all staff was 5.49% in favour of men.

### Salary quartile

The proportion of men and women across the four salary quartiles is as follows:

Quartile	Female	Male
Lower Quartile	64%	36%
Lower Middle Quartile	63%	37%
Upper Middle Quartile	63%	37%
Upper Quartile	65%	35%
<b>Total</b>	<b>64%</b>	<b>36%</b>

Friends of the Earth does not award bonuses.

### Equality, Diversity & Inclusion

Friends of the Earth is fully committed to championing equality, diversity and inclusion and to continuously learning how to increase the diversity of our people and network, including our Trustees, staff, volunteers and supporters.

In collaboration with diversity and inclusion experts Full Colour, we are working towards becoming an actively anti-racist organisation and expect Friends of the Earth Limited to roll out a programme of work on this in 2021/22.



## **Our policies**

### **Ethical policies**

Friends of the Earth maintains a set of policies designed to ensure high ethical standards in all aspects of our operations. Following an external safeguarding review that we commissioned in 2019, our safeguarding team has successfully implemented 17 of the 19 recommendations, with one outstanding recommendation an ongoing process rather than a completable action and the other due to be completed by the end of 2021. We also commissioned a follow-up review from the same external consultant to assess progress, which was completed in April 2021, and are in the process of reviewing the further recommendations that came out of this. This year we have also updated our reserves, grant-making, expenses, procurement, data protection and anti-fraud, bribery & corruption policies. Of particular note is the change we have made to our grant-making policy, which now allows for multi-year grants, at this point in time to Friends of the Earth Limited as our largest grantee.

### **Environmental policies**

Friends of the Earth is committed to practising what we preach. Alongside our Cycle to Work scheme, our Climate Perks policy, introduced in July 2019, provides staff with up to two days of paid annual leave per year if they opt for more carbon friendly travel options when on holiday. Other environmental policies include our travel policy, which encourages active travel and prohibits short haul flights unless the carbon emissions are demonstrably lower than other modes of transport, and our policy that our offices use 100% renewable energy. Our updated procurement policy ensures we are using suppliers with high ethical and environmental impact standards.



## Governance

### Structure, governance and management

Friends of the Earth comprises two separate legal entities operating under a regulated dual structure arrangement. Friends of the Earth Charitable Trust operates in England, Wales and Northern Ireland as a fundraising and grant-making charity. It is regulated by the Charity Commission and is registered with Companies House. During the year, it granted funds for charitable activities to Friends of the Earth Limited, a not-for-profit company with independent directors. Friends of the Earth Limited undertakes all campaigning and activism on behalf of Friends of the Earth and is responsible for people, finance and operations. The two entities share staff, certain resources and a brand, allowing both organisations to achieve their objectives in a cost-effective manner.

The charity is governed by a board of Trustees who meet to determine the strategic direction of the charity. Trustee decisions are made by majority vote at quorate meetings or unanimous decisions without a meeting. The day-to-day implementation of the strategy and running of the charity is delegated to the Co-Executive Directors via a delegated authority framework.

In 2018 the organisation conducted a salary review exercise and amended our pay scale structure against sector benchmarks, ensuring that staff are paid transparently and consistently. On appointment, the salaries of the Co-Executive Directors were decided by the Board of Friends of the Earth Limited with reference to comparable organisations, and any subsequent increases (such as cost of living) will be as negotiated with our recognised union, Unite.

Trustees serve a three-year term that can be renewed twice, so that a maximum of nine years can be served. Trustees typically serve two three-year terms and are the company members alongside being Trustees. Trustee recruitment is guided by the overall composition and skills mix of the Board; vacancies are advertised and a recruitment pack sent to all prospective candidates.

All new Trustees receive a comprehensive induction and an induction pack containing all key governance documentation for the charity as well as copies of Charity Commission guidance including (not exclusively) CC3 “The Essential Trustee”, CC20 on charitable fundraising, The Charity Commission Trustee welcome pack, Guidance on public benefit, guidance on charities connected with non-charities and CC9, Charities and Campaigning. Trustees are also provided with an introduction to the Charity Governance Code. Further training is offered as appropriate on an ongoing basis. During the period, all Trustees receive updates on relevant legal and regulatory issues.

The Board normally meets four times a year and has as its principal roles determining mission, policy and strategy and monitoring organisational and grantee performance.

### **Risk management**

The Co-Executive Directors, Trust Director and Company Secretary working closely with their respective teams have identified the risks to which the organisation may be exposed and ranked these by significance and likelihood. Material risks, together with current mitigation actions, are reviewed each quarter by Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties facing the charity moving forward are as follows:

- Income generation and sustainability. The organisation has benefited to date from a loyal and generous core supporter base. We need to diversify our supporter base so that we can ensure resilience of our income in the medium to long term. The aim is to ensure that we attract new diverse supporters as well as ensuring that those who have supported us to date continue to engage with us on a variety of levels. As we move into a new strategic period, we will be reviewing our income generation strategy in 2021/22.
- As with many charities we are reliant on supporter and donor confidence, and so our reputation is important to maintain confidence in and support for our work. We ensure we are compliant with the relevant regulatory, advertising and fundraising standards.
- Grant giving. Achieving our charitable objectives is of course the reason for our existence. Ensuring that these are delivered with minimum risk by the organisations that we provide grants to is vital. We therefore have a grant making process that incorporates stringent conditions and reporting to ensure that the grantee uses the funds for our charitable purposes.

### **Disclosure of information to auditors**

In so far as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### **Trustees' responsibilities**

The Trustees (who are also directors of Friends of the Earth Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the

charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP and FRS102.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

Crowe UK LLP have indicated their willingness to continue in office and offer themselves for re-appointment in accordance with the Companies Act 2006.

This report was approved by the Trustees and signed on their behalf.



Benedict Southworth  
Chair  
25 November 2021

## Independent Auditors Report to the Members and Trustees of Friends of the Earth Charitable Trust

### Opinion

We have audited the financial statements of Friends of the Earth Charitable Trust for the period ended 30 June 2021, which comprise the Statement of Comprehensive Income and Retained Earnings, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 June 2021 and of the charitable company's net movement in funds, including the 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 25, 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 group and parent 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 group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **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 or the group'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.

### **Other information**

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the Trustees' and strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' and strategic report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' and strategic report included within the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 25, 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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud, and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those

risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were: General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable

company's members as a body and the charitable company's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

26 November 2021

## Consolidated Statement of Financial Activities

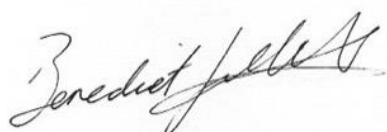
		Unrestricted Funds	Restricted Funds	2021	2020
	Notes	£	£	£	£
<b>Income</b>					
Donations and Legacies	<b>2</b>	12,257,403	234,860	12,492,263	9,740,443
Charitable activities	<b>3</b>	53,014	305,281	358,295	300,963
Other trading activities	<b>4</b>	3,094,915	-	3,094,915	70,788
Investments	<b>5</b>	12,603	-	12,603	12,765
<b>Total Income</b>		<b>15,417,935</b>	<b>540,141</b>	<b>15,958,076</b>	<b>10,124,959</b>
<b>Expenditure</b>					
Raising funds		955,562	-	955,562	947,634
Charitable activities	<b>6,7</b>	12,998,746	540,141	13,538,887	8,810,416
<b>Total expenditure</b>	<b>8-11</b>	<b>13,954,308</b>	<b>540,141</b>	<b>14,494,449</b>	<b>9,758,050</b>
<b>Net movements in funds</b>		<b>1,463,627</b>	<b>-</b>	<b>1,463,627</b>	<b>366,909</b>
<b>Funds brought forward</b>		<b>2,193,092</b>	<b>-</b>	<b>2,193,092</b>	<b>1,826,184</b>
<b>Funds at 30 June 2021</b>	<b>18</b>	<b>3,656,719</b>	<b>-</b>	<b>3,656,719</b>	<b>2,193,093</b>

## Consolidated Balance Sheet

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Fixed Assets</b>					
Tangible Fixed Assets	13	615,546	639,688	615,546	639,688
Investments	14	248,029	248,029	248,029	248,029
		<b>863,575</b>	<b>887,717</b>	<b>863,575</b>	<b>887,717</b>
<b>Current Assets</b>					
Debtors	15	486,628	364,167	478,128	364,167
Short Term deposits and cash in hand		2,533,086	1,437,039	2,533,086	1,437,039
		<b>3,019,714</b>	<b>1,801,206</b>	<b>3,011,214</b>	<b>1,801,206</b>
<b>Current Liabilities</b>					
Creditors	16	(226,570)	(495,830)	(218,070)	(495,830)
		<b>(226,570)</b>	<b>(495,830)</b>	<b>(218,070)</b>	<b>(495,830)</b>
<b>Net Current Assets</b>		<b>2,793,144</b>	<b>1,305,376</b>	<b>2,793,144</b>	<b>1,305,376</b>
<b>Net Assets</b>		<b>3,656,719</b>	<b>2,193,093</b>	<b>3,656,719</b>	<b>2,193,093</b>
<b>Funds</b>					
Unrestricted general funds		2,156,719	2,193,093	2,156,719	2,193,093
Designated funds	18	1,500,000	-	1,500,000	-
Restricted funds	17	-	-	-	-
<b>Total Funds</b>	19	<b>3,656,719</b>	<b>2,193,093</b>	<b>3,656,719</b>	<b>2,193,093</b>

The surplus for the financial year dealt with in the financial statements of the parent charity was £1,463,627 (2020: £366,909).

The accounts on pages 33 to 51 were approved and authorised by the Trustees on 25 November 2021 and were signed on their behalf,



B Southworth  
Chair

## Consolidated Statement of Cash Flows

	2021	2020
Notes	£	£
<b>Cash flows from operating activities</b>		
<i>Net cash provided from / (used in) operating activities</i>	1,143,751	575,297
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	12,603	12,765
Purchase of property, plant and equipment	(60,307)	-
Proceeds from sale of property, plant and equipment	-	-
<b>Net cash from investing activities</b>	<b>(47,704)</b>	<b>12,765</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,096,047</b>	<b>588,062</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,437,039</b>	848,977
<b>Cash and cash equivalents at end of year</b>	<b>2,533,086</b>	<b>1,437,039</b>
Reconciliation of net income to net cash from / (used in) operating activities		
	2021	2020
	£	£
Net income for the year	1,463,627	366,909
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(12,603)	(12,765)
Depreciation charges	84,449	84,619
(Increase) / decrease in debtors	(122,461)	(80,634)
Increase / (Decrease) in creditors	(269,261)	217,168
<b>Net cash provided from / (used in) operating activities</b>	<b>1,143,751</b>	<b>575,297</b>
Analysis of cash and cash equivalents		
	2021	2020
	£	£
Cash at bank and in hand	2,533,086	1,437,039

## Notes to the Accounts

Friends of the Earth Charitable Trust has taken exemption from presenting the unconsolidated profit and loss account under section 408 of the Companies Act 2006.

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### Basis of preparation

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

Friends of the Earth Charitable Trust meets the definition of a public benefit entity under FRS 102 as set out on page 8.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant account policy notes.

This charity works closely with its sister company Friends of the Earth Limited. As at the balance sheet date, the boards of the two companies are separately controlled and no consolidation takes place in reflection of this arrangement.

#### Preparation of accounts on a going concern basis

The review of Friends of the Earth Charitable Trust's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern for the foreseeable future. There are no material uncertainties about the charity's ability to continue in operational existence.

We are operating in uncertain times, and the Covid-19 pandemic underlined the need to have a resilient, agile organisation. Due to the continued support of our donors, we managed to end the year with increased reserves, allowing us to invest for the future via strategic strengthening initiatives. The economic circumstances ahead mean we take a prudent approach to budgeting. As part of our going concern review, we have ensured we have a balanced budget for 2021/22 and a draft forecast for 2022/23. We are also in the process of completing longer-term financial projections with inbuilt scenario analysis so that we can plan and react to changing circumstances.

#### Critical accounting judgements and estimates

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions that affect the carrying value of assets, liabilities that are not readily apparent from other sources. The estimates and the assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## Notes to the Accounts – cont.

### Critical accounting judgements and estimates – cont.

The items in the accounts that are considered to involve critical judgements and sources of uncertainty through estimation, when applying FOECT accounting policies include:

- Revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note below from donors and for legacy income.
- Cost allocation methodology requires judgement as to the most appropriate bases to use to apportion overheads and governance costs between raising funds and the charitable expenditure.
- Expenditure relating to the development of the new CRM system has been capitalised as work in progress under fixed assets from the start of the project.

### Income recognition

All income is recognised in the consolidated statement of financial activities. Once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably. Unrestricted income is available for expenditure approved by the board. Restricted income is available for expenditure in accordance with the purpose specified by the donor.

### Donations and legacies

These are included in full in the consolidated statement of financial activities. When there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Pecuniary legacies are recognised when probate has been obtained and there is no evidence of insufficient assets. Residuary legacies are recognised when probate has been obtained, estate accounts approved and there are no outstanding claims against the estate.

### Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

### Grants

Grants are recognised in full in the consolidated statement of financial activities. In the period in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

## Notes to the Accounts – cont.

### **Income from charitable activities**

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

### **Investment income**

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

#### **Cost of raising funds**

Includes costs incurred in seeking voluntary donations, as well as those incurred in recruiting new financial supporters. It does not include the costs of disseminating information in support of the charitable activities.

#### **Expenditure on charitable activities**

Comprises all direct costs incurred in pursuance of the Trust's objectives, as well as the costs of disseminating information in support of the charitable activities, allocated costs and support costs. Allocated costs are those of capacity building and regional networks that are directly working towards achieving our aims. Support costs comprise those services provided centrally that are identifiable in support of direct charitable purposes, including staff, IT, premises, facilities and other office costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

#### **Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

## Notes to the Accounts – cont.

### Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the consolidated statement of financial activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the consolidated statement of financial activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the consolidated statement of financial activities.

### Fixed assets

Fixed assets are based on the substance of the asset rather than the value and stated at deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses with a de-minimis limit of £100 on the cost of the asset. Assets are depreciated in equal annual instalments over their estimated useful lives as follows:

Fixtures, fittings and leasehold improvements	Over the term of the lease
Furniture	10 years
Office equipment	4 years
Computers	3 years
Computer software	4 years

### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### Cash at bank and in hand

Cash at bank and cash 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.

### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

## Notes to the Accounts – cont.

### Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees for the objects of the charity. Restricted funds are those that are to be used according to specific instructions imposed by donor or trust deed. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

### Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Friends of the Earth operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Friends of the Earth Charitable Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

### Foreign currency translation

The charities functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the consolidated statement of financial activities.

### Legal status

Friends of the Earth Charitable Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

## Notes to the Accounts – cont.

### 2. Income from donations and legacies

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Gifts and Donations (a)	7,316,003	6,441,088
Legacies (b)	1,282,806	1,530,312
Grants (c)	3,556,072	1,406,059
Donated services and goods (Gifts in Kind) (d)	337,382	362,984
<b>Total</b>	<b>12,492,263</b>	<b>9,740,443</b>

(a) Included within Gifts and Donations are £234,860 of restricted donations (2019/20: £390,548).

(b) As at 30th June 2021 we have £1,425,376 (2019/20: £1,152,494) of legacies in the pipeline that do not meet the criteria for income recognition as set out in the accounting policy.

(c) We received a grant of £3,441,000 (2019/20: £700,000) from Friends of the Earth Limited.

(d) We continued to receive a gift in kind for our search engine advertising from Google Ireland, worth £337,382 (2019/20: £307,508).

### 3. Income from charitable activities

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Restricted grants (a)	305,281	269,335
Other (b)	53,014	31,628
	<b>358,295</b>	<b>300,963</b>

(a) Restricted grants received during the period included those from the Big Lottery Fund for £118,589 (2019/20: £205,772).

(b) Included within other income are furlough grants of £47,513 (2019/20: £25,765) received under the Coronavirus Job Retention Scheme.

### 4. Income from other trading activities

The majority of income from other trading activities is made up of proceeds from the People's Postcode Lottery, which were received by the subsidiary Friends of the Earth Climate Action Limited. The amount received was £3,042,500 (2019/20: £0). The donations received as a result of the community events organised by Friends of the Earth Limited were £52,118 (2019/20: £61,887).

## Notes to the Accounts – cont.

### 5. Income from investments

Investment income was bank interest of £12,146 (2019/20: £12,404) and dividends of £457 (2019/20: £361).

### 6. Analysis of direct charitable expenditure

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants given (a)	11,859,115	7,540,000
Support costs	1,342,390	962,908
Gifts in Kind	337,382	307,508
	<u>13,538,887</u>	<u>8,810,416</u>

#### Charitable activities

- (a) This includes £11,854,000 as an operational grant to Friends of the Earth Limited. The remaining balances are small grants to local Climate Action Groups and to a school.

### 7. Analysis of support costs

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Finance	1,312,802	929,000
Governance costs	29,588	33,908
	<u>1,342,390</u>	<u>962,908</u>

Governance costs include:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Board meetings, training, recruitment and Trustee expenses	-	540
Audit Fee	10,800	9,625
Legal & professional costs including Indemnity Insurance	16,628	23,743
	<u>27,428</u>	<u>33,908</u>

## Notes to the Accounts – cont.

### 8. Employee costs

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries	831,035	789,346
National Insurance	80,288	76,557
Pension	44,270	41,485
	<b><u>955,593</u></b>	<b><u>907,388</u></b>

The average number of employees during the period was 173 (2019/20: 169). Employees are jointly employed with Friends of the Earth Limited and employee costs above represent Friends of the Earth Charitable Trust's share of employee costs corresponding to fundraising activity undertaken for the Charitable Trust by those jointly employed members of staff.

Friends of the Earth operates a Group Personal Pension Plan for the benefit of its employees. This is a defined contribution scheme and is administered separately from the Charitable Trust. In 2020/21 the Charitable Trust matched contributions made by employees up to 7% of their salary (2019/20: 7%) and these costs are charged to the consolidated statement of financial activities as incurred.

All of the members of staff with emoluments in excess of £60,000 were jointly employed by Friends of the Earth Charitable Trust and Friends of the Earth Limited and their salary costs were split between them according to time spent. The table below shows the range of total emoluments received by higher paid staff. Emoluments include gross pay, taxable benefits and benefits in kind.

	<b>2021</b>	<b>2020</b>
	<b>No's</b>	<b>No's</b>
Number of employees who earned		
- between £60,000 and £69,999	2	2
- between £70,000 and £79,999	2	1
- between £90,000 and £99,999	-	1

The Trustees consider that the senior management team are the key management personnel of the charity running and operating the charity on a day-to-day basis. These staff included the 2 x Joint Co-Executive Directors, Director of Finance & Operations, Interim Director of Fundraising, Interim Director of Campaigning Impact, Director of Communities and Networks and the Interim Director of Engagement. The total emoluments paid to the 11 senior management staff under their joint contracts of employment were £489,906 (2019/20: £700,363).

## Notes to the Accounts – cont.

### 8. Employee costs – cont.

The Trustees' policy is to benchmark all staff salaries to the median point of the range for similar roles in similar charities of similar sizes. This includes the senior management team. In addition, we are an accredited living wage employer and we promote equality, inclusion and diversity at work. For more information, see our website: <https://www.foe.co.uk/page/our-commitment-diversity>.

### 9. Analysis of total expenditure

	2021	2020
	£	£
The surplus for the year is after charging:		
Depreciation	84,449	84,619
Auditors – audit	10,800	9,625
Auditors – other	-	3,300
Irrecoverable VAT	489,825	151,377
Payments under operating leases (note 12)	517,686	503,604

### 10. Trustees' remuneration and expenses

Trustees are not allowed to be paid for their services nor may they be paid employees. No Trustees have any interests in the company. During 2020/21 no Trustees were reimbursed for travel and incidental expenses in the period (2019/20: £540).

### 11. Corporation tax

Friends of the Earth Charitable Trust is a registered charity and as such can claim exemption from corporation tax on its income under Part 11 of the Corporation Taxes Act 2010 and on its capital gains under section 257 of the Taxation of Chargeable Gains Act 1992.

### 12. Operating leases

The company leases property on short-term leases. The rents paid on these leases, and a share of others, were £517,686 (2019/20: £503,604) and are subject to re-negotiation at various intervals specified in the leases. The total commitments remaining, up to the break clause, are as follows:

## Notes to the Accounts – cont.

### 12. Operating leases – cont.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Payments due:		
Not later than one year	309,545	295,521
Later than one year and not later than five years	362,317	633,813
Later than five years	-	
<b>Total</b>	<b>671,862</b>	<b>929,334</b>

### 13. Fixed assets

#### Charity and Group balances

	Long Leasehold improvements	Fixtures, fittings and office furniture	Computer and Office Equipment	Computer Software	Work in progress New CRM system	Total
Cost	£	£	£	£	£	£
<b>Balance as at 1<sup>st</sup> July 2020</b>	995,933	185,752	60,945	129,704	-	1,372,334
<b>Additions</b>	-	-	-	-	60,307	60,307
<b>Disposals</b>	-	-	(6,256)	-	-	(6,256)
<b>Balance at 30 June 2021</b>	995,933	185,752	54,689	129,704	60,307	1,426,384
<b>Depreciation</b>						
<b>Balance as at 1<sup>st</sup> July 2020</b>	419,138	125,113	58,691	129,704	-	732,646
<b>Charge in the period</b>	66,796	15,399	2,254	-	-	84,449
<b>Disposals</b>	-	-	(6,256)	-	-	(6,256)
<b>Balance as at 30th June 2021</b>	485,934	140,512	54,689	129,704	-	810,839
<b>Net Book Value</b>						
<b>As at 30 June 2021</b>	<b>509,999</b>	<b>45,240</b>	<b>-</b>	<b>-</b>	<b>60,307</b>	<b>615,546</b>
<b>As at 30 June 2020</b>	<b>576,795</b>	<b>60,639</b>	<b>2,254</b>	<b>-</b>	<b>-</b>	<b>639,688</b>

## Notes to the Accounts – cont.

### 13. Fixed assets – cont.

The Trust also owns approximately one acre of woodland, near Bathampton, which lies within an area of special scientific interest and is managed by Bath and Somerset Wildlife Trust. The land was assessed as having a fair value of nil when it was donated.

CRM system work in progress represents costs toward the development of a new CRM system replacing the current system Care, which is expected to be completed by autumn 2022.

### 14. Investments

We hold a shareholding of 1,200 in the Triodos Renewables fund, given to us as part of a legacy, held at £1.80 per share. In 2013/14, we invested in 5,869 shares from Spirit of Lanarkshire Energy Co-op at £1 per share, offered to the public to fund development of a wind farm. In 2015/16 we invested £200,000 in an Ecobond, from Ecotricity for building new sources of green energy, receiving 6% annual interest. In 2017/18, we invested in shares worth £40,000 (21.6% share) in Friends of the Earth (Birmingham) Limited. These are held at best estimate of fair value as there is no active market.

### 15. Debtors

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	3,680	1,615	3,680	1,615
Income tax recoverable (a)	105,900	91,422	105,900	91,422
Prepayments and accrued income	371,053	271,130	362,553	271,130
Other debtors	5,995	-	5,995	-
	<b>486,628</b>	<b>364,167</b>	<b>478,128</b>	<b>364,167</b>

(a) Gift Aid on donations received

## Notes to the Accounts – cont.

### 16. Creditors – due within one year

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	175,988	449,267	167,488	449,267
Accruals	46,744	40,627	46,744	40,627
Other Creditors	3,838	5,936	3,838	5,936
	<b>226,570</b>	<b>495,830</b>	<b>218,070</b>	<b>495,830</b>

### 17. Restricted funds

#### Restricted funds (2020/21)

	<b>Balance</b>			<b>Balance 30</b>
	<b>1 July</b>	<b>Income</b>	<b>Expenditure</b>	<b>June 2021</b>
	<b>2020</b>			
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Big Lottery Fund: Our Bright Future	-	118,589	118,589	-
Phil Michaels' Legal Intern Fund	-	44,588	44,588	-
Sainsbury's - Divestment	-	56,271	56,271	-
Climate Ambition	-	220,996	220,996	-
COP 26	-	52,754	52,754	-
Legal	-	14,213	14,213	-
Cumbria Coal Mine	-	30,625	30,625	-
Greener Streets	-	2,105	2,105	-
<b>Total</b>	<b>-</b>	<b>540,140</b>	<b>540,140</b>	<b>-</b>

Restricted funds are received to fund specific pieces of work – most commonly a specific campaigning strand. In the year the largest of these received related to the My World My Home project supporting and educating young people funded by the National Lottery Community Fund. By the end of the financial year all of these restricted funds had been granted to organisations to carry out the funded activity.

## Notes to the Accounts – cont.

### 17. Restricted funds – cont.

#### Restricted funds (2019/20)

	Balance 1 July 2019	Incoming & Transfers	Resources Outgoing	Balance 30 June 2020
	£	£	£	£
Big Lottery Fund: Our Bright Future	-	204,797	204,797	-
Phil Michaels' Legal Intern Fund	-	33,313	33,313	-
Sainsbury's - Divestment	-	104,475	104,475	-
School of Sustainability	-	21,276	21,276	-
Climate Ambition	-	268,940	268,940	-
Plastics	-	10,000	10,000	-
Trees	-	16,250	16,250	-
Bees	-	500	500	-
Greener Streets	-	332	332	-
<b>Total</b>	-	<b>659,883</b>	<b>659,883</b>	-

The other restricted income included grants broadly restricted to our programmes. The restricted funds were received for the following charitable activities:

	2021	2020
Charitable activities	£	£
Climate	358,856	492,470
Nature	179,180	145,805
Other	2,105	21,608
	<b>540,101</b>	<b>659,883</b>

## Notes to the Accounts – cont.

### 18. Designated funds

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Customer Relationship Management (CRM) system (a)	1,000,000	-
Fundraising Investment Fund (b)	500,000	-
	<b>1,500,00</b>	<b>-</b>

As outlined in the reserves policy section above, the Trustees have agreed to designate funds for specific purposes:

(a) £1m has been designed for capital costs of the new CRM system, which will come into use in the autumn of 2022.

(b) The Fundraising Investment Fund of £500k will be used to develop an income generation strategy to provide investments in pilots and resourcing new initiatives.

### 19. Analysis of net assets between funds

#### Analysis of net assets between funds (2020/21)

	Unrestricted funds	Restricted funds	<b>Total Funds</b>
	£	£	£
Fixed Assets	863,575	-	<b>863,575</b>
Net current assets	2,793,144	-	<b>2,793,144</b>
	<b>3,656,719</b>	<b>-</b>	<b>3,656,719</b>

#### Analysis of net assets between funds (2019/20)

	Unrestricted funds	Restricted funds	<b>Total Funds</b>
	£	£	£
Fixed Assets	887,717	-	<b>887,717</b>
Net current assets	1,305,376	-	<b>1,305,376</b>
	<b>2,193,093</b>	<b>-</b>	<b>2,193,093</b>

## Notes to the Accounts – cont.

### 20. Results of subsidiary

#### Friends of the Earth Climate Action Limited

The charity has a wholly owned subsidiary which is consolidated into the accounts. The company number is 12457385 and the registered office is The Printworks, 1<sup>st</sup> Floor, 139 Clapham Road, London, SW9 0HP.

	<b>2021</b>	<b>2020</b>
	£	£
<b>Income</b>		
People's Postcode Lottery	<u>3,042,500</u>	<u>-</u>
<b>Expenditure</b>		
Administrative Expenses	<u>393,871</u>	<u>-</u>
<b>Surplus</b>	<u>2,648,629</u>	<u>-</u>
<b>Amount gift aided to Friends of the Earth Charitable Trust</b>	<u>(2,648,629)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The assets and the liabilities of the subsidiary were:

	<b>2021</b>	<b>2020</b>
	£	£
<b>Current Assets</b>	8,500	-
<b>Creditors: amounts falling due within one year</b>	(8,500)	-
<b>Total Net Assets</b>	<u>-</u>	<u>-</u>
<b>Total Reserves</b>	<u>-</u>	<u>-</u>

In these consolidated accounts, turnover is consolidated in other trading activities and is £3,042,500, with the associated costs included under support costs.

### 21. Liability of members

In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. At 30 June 2021 the number of members was 5 (2019/20: 4).

## Notes to the Accounts – cont.

### 22. Related party transactions

There were no related party transactions in the period.

### 23. Comparative Consolidated Statement of Financial Activities 2019/20

	Notes	Unrestricted Funds £	Restricted Funds £	2020 £
<b>Income</b>				
Donations and Legacies	2	9,349,895	390,548	9,740,443
Charitable activities	3	31,628	269,335	300,963
Other trading activities	4	70,788	-	70,788
Investments	5	12,765	-	12,765
<b>Total Income</b>		<b>9,465,076</b>	<b>659,883</b>	<b>10,124,959</b>
<b>Expenditure</b>				
Raising funds		947,634	-	947,634
Charitable activities	6,7	8,150,533	659,883	8,810,416
<b>Total expenditure</b>	8-11	<b>9,098,167</b>	<b>659,883</b>	<b>9,758,050</b>
<b>Net movements in funds</b>		<b>366,909</b>	<b>-</b>	<b>366,909</b>
<b>Funds brought forward</b>		<b>1,826,184</b>	<b>-</b>	<b>1,826,184</b>
<b>Funds at 30 June 2020</b>	18	<b>2,193,093</b>	<b>-</b>	<b>2,193,093</b>

