

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

Contents

Reference and administrative details	3
About Friends of the Earth	4
Executive Director and Chair's statement	5
Trustees' and Strategic Report	6
- 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
Independent Auditor's Report	23
Statement of Financial Activities	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Accounts	30

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 Butler¹ (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

¹ 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

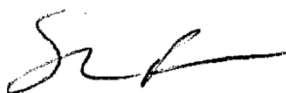
In a year when record temperatures and extreme weather events were again observed in the UK and globally, the Friends of the Earth Charitable Trust fulfilled its charitable purpose by funding work that enables change and protects the environment, establishing far-reaching wins to advance climate and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

Quartile	Female	Male	White	POC
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%
Total	65%	35%	85%	15%

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"> • Continual monitoring of the reach and results of our fundraising campaigns. • Implementation of the recommendations from our external review of income generation.
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"> • Close SLT and Trustee oversight of the new CRM project and other change programmes. • Subject matter experts and advocates from core teams across the organisation are in place to inform design, participate in testing and support with training.
Organisation faces losses or reputational damage due to fraudulent activity, including cyber-attack.	<ul style="list-style-type: none"> • We mitigate against the growing risk of fraud and cyber-attack through robust IT and internal financial controls. • 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.

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:

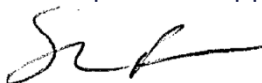
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP and FRS102.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material 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. 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.

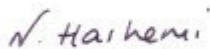
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Trustees about their own identification 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.



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

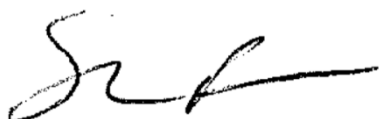
		Unrestricted Funds	Restricted Funds	2024	2023
	Notes	£	£	£	£
Income					
Grants, donations and legacies	2	13,654,399	1,228,233	14,882,632	12,721,558
Other trading activities	3	29,679	-	29,679	27,991
Investments	4	38,410	-	38,410	17,244
Total Income		13,722,488	1,228,233	14,950,721	12,766,793
Expenditure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

Balance Sheet as at 30 June

		2024	2023
	Notes	£	£
Fixed Assets			
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
		2,439,916	1,632,360
Current Assets			
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
		2,464,714	2,232,975
Current Liabilities			
Creditors	17	(626,867)	(714,977)
Provisions	18	(193,843)	(200,000)
		(820,710)	(914,977)
Net Current Assets		1,644,004	1,317,998
Net Assets		4,083,920	2,950,358
Funds			
Unrestricted general funds		1,284,732	1,778,687
Designated Funds	20	2,530,426	911,926
Restricted funds	19	268,762	259,745
Total Funds	21	4,083,920	2,950,358

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

	Notes	2024 £	2023 £
Cash flows from operating activities			
<i>Net cash provided from operating activities</i>		69,655	272,604
Cash flows from investing activities			
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)
Net cash from investing activities		(576,950)	(736,488)
Net (decrease) in cash and cash equivalents		(507,295)	(463,884)
Cash and cash equivalents at beginning of year		1,636,075	2,099,959
Cash and cash equivalents at end of year		1,128,780	1,636,075
Reconciliation of net income to net cash from / (used in) operating activities			
		2024 £	2023 £
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)	-
Net cash provided from operating activities		69,655	272,604
Analysis of cash and cash equivalents			
		2024 £	2023 £
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

	2024	2023
	£	£
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
Total	14,882,632	12,721,558

(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

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

(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

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

Governance costs include:

	2024	2023
	£	£
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
	20,040	23,595

Notes to the Accounts – cont.

7 Employee costs

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

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.

	2024	2023
	No.	No.
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

	2024	2023
	£	£
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	942,591	1,083,351

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	1,823,885	129,704	1,933,078

Depreciation

Balance at 1 July 2023	-	129,704	129,704
Charge in the period	-	-	-
Disposals	-	(20,511)	(20,511)
Balance at 30 June 2024	-	109,193	109,193

Net Book Value

At 30 June 2024	1,823,885	-	1,823,885
At 30 June 2023	1,300,227	-	1,300,227

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
Depreciation				
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
Net Book Value				
At 30 June 2024	62,021	34,010	-	96,031
At 30 June 2023	68,663	15,441	-	84,104

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

	2024	2023
	£	£
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

	2024	2023
	£	£
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
	1,087,149	596,900

Notes to the Accounts – cont.

17 Creditors due within one year

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

18 Provisions

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

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	-
Total	259,746	1,228,233	1,219,217	268,762

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)

	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
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	-
Total	279,182	1,017,555	1,036,992	259,745

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.

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

20 Designated funds

	2024	2023
	£	£
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	-
	2,530,426	911,926

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
	3,815,158	268,762	4,083,920

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
	2,690,613	259,745	2,950,358

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
	£	£	£
Income			
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
Total Income	11,749,238	1,017,555	12,766,793
Expenditure			
Raising funds	2,676,635	-	2,676,635
Charitable activities	9,778,593	1,036,991	10,815,584
Total expenditure	12,455,228	1,036,991	13,492,219
Net movements in funds	(705,990)	(19,436)	(725,426)
Funds brought forward	3,396,602	279,182	3,675,784
Funds carried forward	2,690,612	259,746	2,950,358