

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

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

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. 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.



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

Balance sheet

	Notes	2025 £	2024 £
Non-current assets			
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	-
		2,632,899	2,439,916
Current assets			
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
		4,062,852	2,464,714
Current liabilities			
Creditors - due within one year	17	(1,928,013)	(626,867)
Provisions	18	(117,500)	(193,843)
		(2,045,513)	(820,710)
Net current assets		2,017,339	1,644,004
Net assets		4,650,238	4,083,920
Funds			
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
Total funds	21	4,650,238	4,083,920

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

	2025 £	2024 £
Cash flows from operating activities		
<i>Net cash provided from operating activities</i>	1,357,964	69,655
Cash flows from investing activities		
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)
Net cash from investing activities	(129,190)	(576,950)
Net (decrease) in cash and cash equivalents	1,228,774	(507,295)
Cash and cash equivalents at beginning of year	1,128,780	1,636,075
Cash and cash equivalents at end of year	2,357,554	1,128,780

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

	2025 £	2024 £
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)
Net cash provided from operating activities	1,357,964	69,655

Analysis of cash and cash equivalents

	2025 £	2024 £
	2,357,554	1,128,780

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

	2025	2024
	£	£
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
Total	14,909,316	14,882,632

(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

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

4 Income from investments

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

Notes to the financial statements

5 Analysis of direct charitable expenditure

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

(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

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

Governance costs include:

	2025	2024
	£	£
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
	30,305	20,040

7 Employee costs

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

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.

	2025 No.	2024 No.
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

	2025 £	2024 £
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:

	2025	2024
	£	£
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	<u>590,707</u>	<u>942,591</u>

Notes to the financial statements

12 Intangible fixed assets

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

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 £
Cost				
Balance at 1 July 2024	1,071,347	214,088	29,502	1,314,937
Balance at 30 June 2025	1,071,347	214,088	29,502	1,314,937
Depreciation				
Balance at 1 July 2024	1,009,326	180,078	29,502	1,218,906
Charge in the period	23,531	12,409	-	35,940
Balance at 30 June 2025	1,032,857	192,487	29,502	1,254,846
Net book value				
At 30 June 2025	38,490	21,601	-	60,091
At 30 June 2024	62,021	34,010	-	96,031

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	520,000	520,000

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
	1,699,429	1,087,149

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
	1,928,013	626,867

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)	-
	193,843	-	-	(76,343)	117,500

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)
Total	268,762	1,719,744	1,768,029	220,477

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

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
	1,719,744	1,228,233

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
	2,389,935	2,530,426

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
	2,039,826	2,389,935	220,477	4,650,238

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
	1,284,732	2,530,426	268,762	4,083,920

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 £
Income			
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
Total Income	13,722,488	1,228,233	14,950,721
Expenditure			
Raising funds	2,561,388	-	2,561,388
Charitable activities	10,036,554	1,219,217	11,255,771
Total expenditure	12,597,942	1,219,217	13,817,159
Net movements in funds	1,124,546	9,016	1,133,562
Funds brought forward	2,690,612	259,746	2,950,358
Funds carried forward	3,815,158	268,762	4,083,920

