



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

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

### Trustees

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

F Butler  
G Fawcett (Interim chair from 31 March 2022)  
L K Hand  
J B Southworth (resigned as Chair on 31 March 2022)  
M Oley

**Co-Executive Directors:** H Knowles and M Turner

**Company Secretary:** H Ashley Taylor

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

### Auditor

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

### Bankers

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

### Solicitors

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

## About Friends of the Earth

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

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

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

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

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

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

## Chair's statement

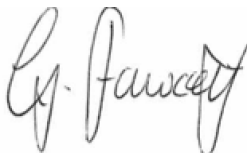
This year as interim chair of Friends of the Earth Charitable Trust, I'm delighted to report that we are continuing to forge ahead in providing a strong policy voice to help stem the negative impacts of climate change.

The importance of our networks and supporters cannot be underestimated as they support positive action to deal with a climate emergency. We continue to be fleet of foot by supporting communities in tackling local concerns and being at the front line in influencing both national and international policy developments.

I would also like to acknowledge and thank our supporters and who have continued to make our work and impact possible. Despite an uncertain economic environment individual and major donors and players of the People's Postcode Lottery, foundations and trusts have remained strong supporters. This demonstrates both their confidence in us as an organisation and our strategy for tackling climate change.

In January, this year we have also seen some changes at Governance level: Benedict Southworth, stood down as Chair of the Trust Board after serving for three years. I would like to take this opportunity to thank Benedict for his contributions which were greatly valued by all within the Board and the Organisation and wish him all the success in the future.

Despite the monumental environmental challenges faced where the effects of climate change are becoming more visible and balance of nature affected, I'm confident that we will build on our achievements and lead from the front to mitigate against their worst effects on the world in which we live.



**Gillian Fawcett**  
Interim Chair

## Co-Executive Directors' statement

The challenging future we have all feared really landed this year. We faced the continuing impact of a global pandemic, a land war in Europe, staggering rises in energy costs and a growing cost of living crisis in the UK. Around the world we continued to see weather events that set new records and displaced millions of people – mostly those who have done the least to contribute to the climate crisis.

We write this not long after the UK broke its temperature record by over a degree in multiple places and during a drought which compounded difficult conditions for farmers putting further pressure on food prices. We are preparing for a winter of discontent and suffering with a political environment that is at best self-involved and at worst dysfunctional. COP26, only 10months ago, seems like a distant memory.

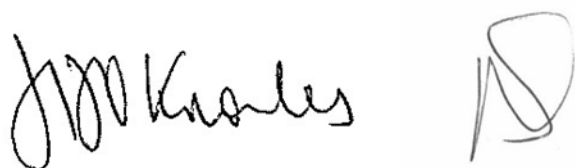
Within this context the work of Friends of the Earth Charitable Trust is ever more important. We continue to be incredibly grateful to our financial supporters and donors, the People's Postcode Lottery and its players for their ongoing support and our Extra Award, for continuing to fund and invest in us. Without them we cannot continue to fight and to win for the climate.

We fulfil our charitable purpose by funding organisations and groups that enable us to make change and protect the environment, predominately Friends of the Earth Limited.

Highlighting just some of our funded achievements this year:

- Thanks to this incredible grassroots network 85% of councils now have climate action plans in place, and we've produced over 40 council case studies displaying best practice, from which we hope other local authorities will benefit.
- Northern Ireland passed the historic Climate Change Act in May, and we secured another massive breakthrough that month when the Senedd voted for the public sector to divest from fossil fuels and decarbonise by 2030. Both are the culmination of years of pressure and partnership work from Friends of the Earth in Wales and Northern Ireland.

The next year we will continue to ensure that fossil fuels have no place in our future and ensure that the decarbonisation of heat prioritises those in fuel poverty. We will work with communities to how we all benefit from thriving nature and how it is key to our future.

The image shows two handwritten signatures in black ink. The signature on the left is 'Hugh Knowles' and the signature on the right is 'Miriam Turner'. Both are written in a cursive, flowing style.

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

## Trustees' and strategic report

The Trustees are pleased to present their Trustees' and strategic report, together with the financial statements, for the year ending 30 June 2022. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities (FRS 102).

### Our object and activities

#### Our purposes and aims

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

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

We aim to achieve these objects by funding work that falls within the confines of this remit. This report sets out how these objects were achieved in the year ending 30 June 2022, the proposals for the fulfilment of the charitable objects during 2022/23 and how we plan to fulfil the charitable objects for the public benefit in future years.

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

### **Our grant making policy**

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

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

### **Public Benefit Statement**

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

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



## Our achievements in 2021/22

We set an annual fundraising budget, and carefully assess and monitor the aims and progress of our grantees to ensure that our charitable objects are being achieved and that our grant funding is being maximised. Our largest grantee, Friends of the Earth Limited, sets clear objectives and key results (OKRs) as part of its annual business planning process. Its organisational OKRs were to:

- Build even more community power to win existing campaigns and inform new ones;
- Move through COP26 to a new justice-focused campaign package;
- Lay the groundwork for the worst affected and those at risk of not participating in or benefiting from the transition to inform its work;
- Defend communities' rights to protect their environment and challenge environmental injustices, particularly for the worst affected;
- Progress the implementation of our new Customer Relationship Management (CRM) system;
- Have a resilient and robust funding model.

This year Friends of the Earth Limited also extended its monitoring and evaluation framework to include Key Performance Indicators (KPIs) that measure foundational organisational health in six key areas: supporters, income generation, financial position, people, operations and governance. Achievements against these OKRs and KPIs are outlined below.

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



40+ council case studies produced capturing best practice on climate action



14 Climate Action Groups and 9 Local Groups awarded grants



Climate legislation introduced in Northern Ireland for the first time



New Income Generation Strategy developed to grow and diversify our fundraising



Strong organisational health across the majority of KPIs



40+ new and updated pieces of web and social media content on climate justice



Climate.Youth.Society youth campaigning mentoring programme launched



Civil society letter against the Policing Bill submitted alongside 350 other organisations



Partnerships built with underrepresented groups in the movement



New CRM system under development

### **Build even more community power to win existing campaigns and inform new ones (OKR1)**

Friends of the Earth believes in the power of local people to make change happen where it matters most to them. Our grant this year allowed Friends of the Earth Limited to build power within both its grassroots groups and its youth network to lead and win campaigns.

Through our funding, groups across the country have been empowered to hold local authorities to account, particularly on election pledges and councils' climate action plans. 85% of councils now have climate action plans in place, and Friends of the Earth Limited has produced over 40 council case studies highlighting best practice, from which we hope other local authorities will benefit. We've also seen a major success story in Northern Ireland by supporting the introduction of the first ever climate legislation in the country. This commits Northern Ireland not only to net zero by 2050 but also to legally binding climate action plans and the appointment of a Climate Commissioner and Just Transition Commissioner.

With the help of our grant, Friends of the Earth Limited has continued to strengthen its groups' abilities to campaign, with over 50 training sessions delivered on a range of topics, from group development to anti-oppression. It's also trialled longer-term training courses comprising 4-8 sessions, and these were received very positively by activists.

We were incredibly pleased to see an increase in applications to our Climate Action Fund and Local Group Fund for community groups this year, with 23 grants made in total across the two funds. These grants supported groups with a real range of activities and resources including outreach campaigns, materials for stalls, events, public art campaigns and legal scoping reports. Climate Action Leicester and Leicestershire, for example, used the Climate Action Fund to support its Big Green Swap and translate promotional materials into Hindi, Gujarati and Arabic to ensure the event was as inclusive as possible – there were around 600 attendees in total. Another grantee invested in a community resource to monitor air quality throughout East Dorset and matched the funding by working with allied groups. In the lead-up to the local council elections in May, we decided to increase the maximum grant amount from £500 to £800 and are pleased to confirm we've agreed to maintain this level of funding going forwards.

Despite the difficult context caused by the pandemic, it has established and developed pathways for youth-led climate action. The highest ever number of students, 57 in total, graduated from its My World My Home further education programme, which successfully supported a number of learning-disabled young people as well. We also supported its launch of Climate.Youth.Society, a youth campaigning mentoring programme – while there were naturally some challenges in its fledgling year, it's taken the learnings onboard and has been able to continue the programme into a second year.

The Charitable Trust's own Youth Fund was sadly not made use of this year, as Climate.Youth.Society was prioritised due to staff illness and capacity – this programme had its own line of microgrants, meaning the Youth Fund wasn't required in addition. However, we anticipate renewed take-up in 2022/23 as the youth network continues to grow.

Friends of the Earth Limited has also made concerted efforts to ensure that the Friends of the Earth network is providing insight and leadership that shape its campaigns. This has included consultation seminars, surveys and lighter-touch feedback via events, and has influenced its work from COP26 to the development of its new home heating campaign. While delays to the development of its new

campaign package (see OKR2) and new CRM system (see OKR5) have hampered this work, we're confident that strong foundations have been laid to further progress this work in 2022/23.

### **Move through COP26 to a new justice-focused campaign package (OKR2)**

We need a wide range of voices to solve global problems and achieve social and climate justice, and that means a more inclusive, diverse environmental movement. Our funding enabled Friends of the Earth Limited to channel the momentum of COP26 into key climate wins and two new visionary, justice-focused campaigns.

As a key global focal point, it used the UN climate talks in Glasgow (COP26) to leverage pressure on the UK government's hypocrisy in supporting fossil fuel extraction at home and abroad. This message came through loud and clear before, during and after COP26 in both the media and politics, and at the event itself it demonstrated against the Cambo oil field in the North Sea in collaboration with Friends of the Earth Scotland. 280,000 people signed a joint petition with regional and national partners against the proposed new Whitehaven coalmine in Cumbria, and other petitions throughout the year challenged the fossil fuel industry and called for a windfall tax on energy companies in the context of the energy crisis.

With the support of our funding, Friends of the Earth Limited was also aiming to launch two new justice-focused campaigns, one around climate and one around nature. While both have been delayed, partly due to reprioritising the package in light of the energy crisis and partly due to capacity, the development of these new campaigns is well underway – a home heating campaign that aims to eradicate fuel poverty and slash emissions will launch in September, and a healthy environment campaign is now scheduled for spring 2023. Our grantee is working hard to ensure these campaigns are as inclusive as possible, seeking insights from people of colour and young people in particular, as well as a wide range of external allies.

### **Lay the groundwork for the worst affected and those at risk of not participating in or benefiting from the transition to inform our work (OKR3)**

The climate and biodiversity crises don't impact us all equally – often those who've done the least to cause the problem are the most severely affected. And as we transition to a greener world, we need to make sure it's fair for all and that no one gets left behind. This year our funding allowed Friends of the Earth Limited to establish ways for the most marginalised to have their voices heard.

Its Youth & Families Team has used our grant to invest considerably in making its programmes accessible to the most marginalised young people, with close to 100% of its My World My Home and Climate.Youth.Society graduates either racially minoritised, disabled or working class. It also ran a special educational needs or disability (SEND) pilot within its My World My Home programme and disability justice training for staff.

Building on its anti-racism training pilot last year, our largest grantee has been developing the next phase of its anti-racism work with the Friends of the Earth community network. It's procured an external provider to run more training this autumn and has plans in place to update and expand its anti-racism resources. While some progress has been made, there's more work to be done on developing its next training package, establishing an anti-racism journey for the network and embedding anti-racism into its campaigns.

Our funding has supported partnerships building with underrepresented groups in the environmental movement, from Leicester's Race Equality Centre to the EcoSynagogue and the Stop Climate Chaos Cymru coalition in Wales. Friends of the Earth Limited collaborated with a number of trade unions via its Green Jobs Summit and ran partnerships workshops for the network at its annual activist events. Through our 2022/23 grant, it plans to recruit a Partnerships Lead role to develop more collaborations and ensure they are truly embedded within its work.

Due to COVID and the restriction on events, the BAME Fund, launched in 2020/21, was not accessed during the year. There was some initial reluctance and concerns relating to power dynamics with grant recipients but we are confident that the framework we have in place around our partnerships work means we can ensure the relationships supported through this fund will be mutually beneficial. Going forwards it will now be called the Partnerships Fund and can be used to promote greater inclusivity and diversity with underrepresented groups at the local level.

Friends of the Earth Limited also wanted to firmly position itself as a community-centred environmental justice organisation via compelling, human storytelling. It made some headway on this, for example producing over 40 new and updated pieces on its website and social media channels highlighting the need for climate justice and telling stories of the people and communities most impacted. However, it is currently developing a new Brand and Audience Strategy and will be able to properly progress this work once this is in place.

Finally, our grant has enabled the development and testing of approaches to working with communities beyond the existing Friends of the Earth network so that their insights inform campaigns. Friends of the Earth Limited used data mapping and analysis to identify communities most impacted and most at risk of not participating in, or benefitting from, the transition, but there is much more to be done to ensure this informs its day-to-day work. It's particularly focused on how it can draw on community insights when developing campaigns, while also ensuring that it's not being extractive, and we will continue to support this focus into 2022/23.

#### **Defend communities' rights to protect their environment and challenge environmental injustices, particularly for the worst affected (OKR4)**

This year has seen numerous assaults on human rights, from injustices abroad to the Police, Crime, Sentencing and Courts Bill at home. We've always believed in standing up against environmental injustices throughout the Friends of the Earth grassroots and international networks. This year our grant allowed the continuation and refinement of this vital work, with a particular focus on those most impacted by threats to their rights and freedoms.

Alongside Friends of the Earth international sister organisations, Friends of the Earth Limited delivered a wide range of impactful solidarity interventions to defend Environmental Human Rights Defenders, from protesting a lawsuit against indigenous river defenders in Malaysia to challenging Shell at its AGM. It also trialled new ways for the grassroots network to support international allies and has run sessions on the importance of solidarity.

While it fought strongly against the new Police, Crime, Sentencing and Courts Bill, for example by submitting a civil society statement along with 350 other organisations and supporting an extensive parliamentary lobbying programme, a significant number of anti-protest measures have been

introduced that pose a serious threat to us and many other organisations. Furthermore, measures to criminalise trespass were also passed, a direct attack on the nomadic way of life of Gypsy, Roma and Traveller communities. Friends of the Earth Limited also co-authored and strengthened cross-sector demands for the Planning Bill to address climate, nature and community rights, with proposed changes ultimately dropped by the government.

### **Progress the implementation of our new CRM system (OKR5)**

How we connect with the Friends of the Earth network, supporters and donors and how we use data across the organisation is of vital importance to our activities and aims. We therefore recognised the need for major investment in a new CRM system. While we knew it would take longer than a year to complete, we wanted Friends of the Earth Limited, as the entity responsible for delivering this joint project, to make significant progress this year in accordance with agreed timescales and budget, and also ensure a high level of engagement and input from across the organisation.

Although understandably there have been some delays and we've slightly exceeded our original budget, the project is on track and implementation is well underway, with Phase 1 (go-live for our Communities and Networks directorate) completed in July 2022. Phase 2 (go-live for the remainder of the organisation) is now targeted for January 2023.

There's been a high level of engagement from stakeholders across the organisation, with numerous workshops held to identify business and process requirements for each team and ensure buy-in from colleagues. As we move into the next phase of implementation and continue our investment, we're excited to see the benefits of the new system rolled out across the whole organisation.

### **Have a resilient and robust funding model (OKR6)**

As the COVID-19 pandemic progressed and the cost-of-living crisis emerged, we, like all of society, had to continually adapt to the uncertain and challenging economic context. Given this background, it's been more important than ever to ensure our fundraising is resilient and robust, to keep having impact and create security for the future. This year our focus was on income growth, investment and diversification.

While we fell just short of our stretch income target of £15 million, we comfortably exceeded our original budgeted income, with especially strong performance in our Individual Giving programme despite challenges recruiting in this area.

In the latter half of the year, we developed a new Income Generation Strategy that outlines our vision for income growth and identifies the strategic actions needed to get there by June 2025. We also designated £500k into the organisation's fundraising programme, with a number of roles now being recruited to build capacity and expertise in key growth areas.

Lastly, our fundraising teams have experimented with a range of tactics to diversify our programme, from social channels like YouTube and Facebook messenger to the web, from testing values-based messaging to launching a new Insight Bank via which we can better analyse learnings and increase our impact. While some areas have performed stronger than others, with cost per acquisition proving particularly challenging, our new Income Generation Strategy clearly outlines how we'll diversify over the next three years.

## **KPIs**

We monitor our work and impact through a KPI framework.

### ***Supporters***

Over the course of the year, supporter retention and satisfaction has been particularly strong. However, the number of people taking action has decreased this year, most likely due to new entries into a crowded market and changes to social media algorithms. This has also had a knock-on effect on supporter recruitment, with additional challenges caused by changes in data and privacy policies.

### ***Income Generation***

We've seen strong performance in most areas throughout the year. As with supporters, we've seen challenges with recruitment due to underperformance in some areas, for example our Bee Saver Kits. We've also received less in legacy income than anticipated, although this income stream is difficult to predict, with one large legacy payment now expected in the 2022/23 financial year.

### ***Financial position***

This has been consistently positive, with slight overspend on salaries and operational costs. We took a cautious approach to budgeting this year as we came out of a post-pandemic world and facing economic turmoil.

### ***Operations***

Operations have been strong all year, with especially good results in health and safety risks, major IT incidents and IT service level agreements.

### **Governance**

Governance has performed very well this year, particularly in relation to the effectiveness of the Friends of the Earth Limited Board and the Senior Leadership Team. Data governance has also performed well, with new GDPR training rolled out across the organisation over the summer period.

## **Fundraising**

### **Fundraising performance**

In the year under review, the total income raised was £13.5m, a decrease of 18% on the £15.9m raised in the previous year. This was largely due to a historic donation of £3.4m paid to the Trust in 2020/21 from People's Postcode Lottery income, excluding this qualifying charitable donation the comparable figures would be £13.2m this year against £12.5m: an overall rise of £0.7m.

Gifts and donations for the period totalled £7.4m, compared with £7.3m in the previous year. We are grateful to our donors for their continued support/

Legacy income totalled £1.0m, (2020/21 £1.28m). Despite its unpredictability, our legacy income remains stable year-on-year. This demonstrates the long-term relationships supporters hold with us, and their desire to continue support for our mission in their name.

Grants received in the year were £0.4m, a significant decrease on 2020/1 due to the £3.4m qualifying charitable donation from Friends of the Earth Limited.

The value of gifts in kind received in 2021/22 decreased slightly from 2020/21 totalling £258,194.

We received £4m from People's Postcode Lottery, an increase of £1m from 2020/21.

Our forecasts for 2022/23 are based on ongoing economic uncertainty with the current context of high inflation. We expect the cost-of-living crisis to negatively impact more of our donors than were financially affected by the COVID-19 pandemic. The breadth of our supporter base does provide financial resilience as we proceed with caution into the next 12 months, closely monitoring donor numbers and responding to their needs with flexibility and compassion.

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

### **Regulation**

We generate funds through a range of techniques, including printed communications, telephone fundraising and a variety of digital fundraising activity. We continue to work with carefully selected



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

We are registered with the Fundraising Regulator and continue to be a member of both the Chartered Institute of Fundraising and the Direct Marketing Association. We have had no non-compliance with the Fundraising Regulator in 2021/22. Any third-party suppliers who are in contact with our supporters have a vulnerable people policy in place and meet the same high-quality standards as our own. Partner agencies hold membership with the relevant membership body, such as the Direct Marketing Association, which requires compliance with a broad range of regulations and best practice policies.

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

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

## Financial review

### Overall financial performance

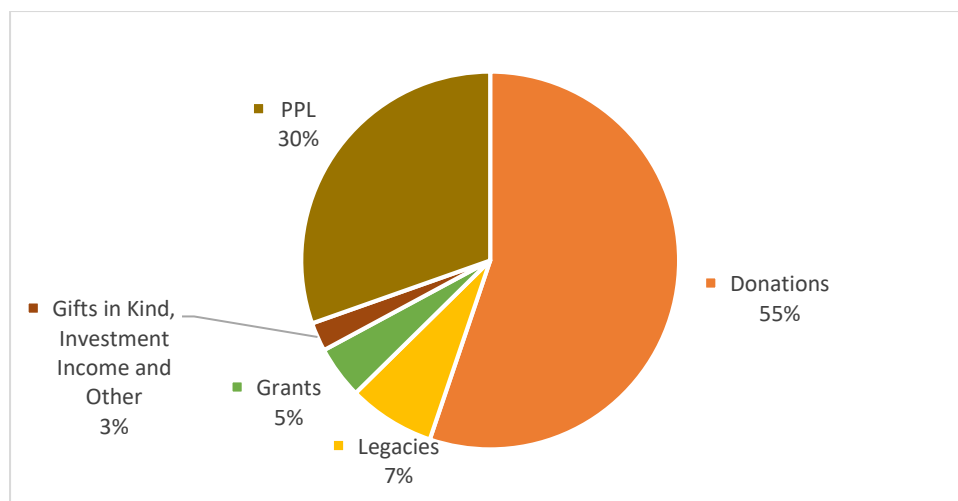
#### Income

In the year, our income was £13.4m, a decrease of £2.5m from 2021, this was due to a one-off historic funding adjustment linked to PPL funding which increased our income last financial year.

Over 90% of our income comes from three main sources. From supporters who donate to support our work who gifted £7.4m and from those who remembered us in their will and left bequests of £1m . We are incredibly grateful for their support.

We also received £4.1m from the People's Postcode Lottery- Earth Trust strengthening our relationship with this important donor.

An overview of our total income:



## Expenditure

Expenditure was £13.3m, a reduction on last financial year due to a grant reduction to our main grantee.

Fundraising costs are £2.8m, this means for every £1 we spent in the year we raised £4.50 in donations to the organisation.

We also made grants to our grassroots network through our Climate Action and Local Group Funds of £11,780 (2020/21 - £2,967). This increase is due to increased activity in groups now we move forward from the coronavirus pandemic.

We are proud that we are able to contribute to the work of Friends of the Earth Limited and made a grant £10.3m to Friends of the Earth Limited which enabled them to achieve the impact as noted on page 6.

In the year we made a small deficit of £119k, which keeps us comfortably within our reserves policy.

## Reserves policy

Trustees recognise their duty of care to maintain an appropriate level of reserves. We have never been in more uncertain economic times, and the Trustees are aware of the potential vulnerability in our income, which means that we need to take a prudent approach, but we also need to use our reserves to maximise impact on climate change.

In the year, the reserves policy was reviewed, and a decision was made to hold between two and four months of reserves as free reserves, using any extra to invest in strategic initiatives which move the organisation forward. This means the organisation needs to keep £0.8-1.6m in reserves.

In 2020/21 the Trustees designated £1.5m to invest in key initiatives to a) improve organisational systems to ensure we have informed decision making and are able to make efficiencies on our current processing, and b) diversify our income portfolio:

Area	Rationale	£	Progress
<b>Customer Relationship Management (CRM) system</b>	Organisational CRM system investment to replace current ageing system	<b>1m</b>	Making good progress on the implementation. Phase 1 of system went live in July 2022, with Phase 2 live in January 23. This fund will offset the depreciation once the system has been fully implemented
<b>Income Generation Investment Fund</b>	To diversify income through targeted staffing and pilots under the new Income generation strategy	<b>0.5m</b>	A delay in completion of the income generation strategy resulted in a delay in recruitment, but these funds will be drawn down in 2022/23 when the new staff members start
<b>Designated Fund</b>		<b>1.5m</b>	

At the end of the financial year, prior to additional designation our free reserves were £2m, we are taking the opportunity to designate more reserves as follows:

- a) To fund Phase 3 of CRM implementation - £150k
- b) Strategic campaign and advocacy project - £200k this includes an investment of £60k in 10x greener a great example of a project which will segment Friends of the Earth as a community-orientated, environmental justice organisation. successful pilot which we are extending to increase connection and has fundraising opportunities.

### Going Concern

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

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

### Investment policy

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

### Our plans for 2022/23

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

In June 2022 we approved a large grant application from Friends of the Earth Limited for charitable activities in 2022/23. Our funding will support this grantee to build partnerships that enable it to listen to the voices of those in communities currently suffering due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transformation. These partnerships will allow it to add what it hears to the considerable expertise it has in the organisation and wider network.

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

While Friends of the Earth Limited's plans span the next two years until June 2024, recognising the need for long-term investments in Friends of the Earth's future and legacy, it should be noted that our funding is for the next year only, with a new grant application required by June 2023 in order for funding to continue into the following year.

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

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

Our funding will support environmental justice campaigns that aim to:

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

Friends of the Earth Limited's focus in 2022/23 will be on launching its new home heating and nature campaigns, implementing our new CRM system for the whole organisation and navigating the ongoing cost-of-living and energy security crises. It will also be using our funding to invest in income generation and build our profile to ensure the organisation is financially sustainable.

We will continue supporting local communities in tackling the climate and ecological emergencies through our Climate Action and Local Group Funds and hope that the increased uptake seen in 2021/22 continues into 2022/23. We seek to diversify our range of grantees so the focus in 2022/23 will be restart our Youth Fund and introduce our new Partnerships Fund (previously the BAME Fund). As always, we will look to fund other activities that support our objectives as they arise throughout 2022/23.

## Our people

### Ways of Working

The coronavirus pandemic continued during 2021/22, we successfully adapted as an organisation, working differently to continue our impact despite the circumstances.

Collaboration has been key to success; the pandemic has proven that staff can work remotely as long as we maintain connection. Some of the successes have been:

- Successfully worked remotely which has led to a move to hybrid working with a formal policy due to be adopted in December 2022.
- This has led the organisation to consider the need for physical office space. As leases end, we are reviewing property needs, which has already resulted in changes to the regional office provisions. Ultimately, this will lead to a reduction in the cost and size of the London office, freeing up our resources to invest elsewhere.
- Expanded the talent and experience of the staffing team by recruiting staff from across England, Wales and Northern Ireland (where we have previously been more London-centric)
- Ensured collaboration events take place at both the team and organisational level. This is vital to ensure connections and relationships are strong across the organisation.
- Ensured the continued commitment of our supporters and donors, for whose dedication we are extremely grateful.

Friends of the Earth Limited closed its COVID-19 working group in May 2022. This was a cross-departmental staff working group that provided advice and support to the organisation and Friends of the Earth network, to protect their physical and mental wellbeing.

### **Staff and volunteers**

Friends of the Earth employs around 190 staff, with offices in London, Belfast, Cardiff, Birmingham, Leeds, Manchester, Bristol and Brighton. This year we moved into new, more flexible workspaces in Leeds, Cardiff, Brighton, Manchester and Bristol. Staff costs are detailed in Note 6 to the accounts. We're also indebted to the invaluable service of our volunteers who provide support to our staff body, for example in campaigns and fundraising.

The Board meets with representatives of the Union and our People of Colour network on an annual basis and receives regular updates on people matters such as turnover, learning & development and wellbeing.

### **Gender and ethnicity pay gaps**

We have a structured pay scale within the organisation, with all roles allocated a score and band following a job grading process prior to recruitment. Upon recruitment, staff generally start at the mid-point of the band, unless they're viewed to be developing into the role based on their prior experience.

We were pleased to recruit more staff in regional locations across England, Wales and Northern Ireland during the year, although this is a factor in the gender pay gap due to the absence of London weighting.

While there have been minor improvements in our median and mean gender pay gaps this year – except for the median gap for full-time staff which has seen an increase – it's disappointing to see that a gender pay gap still exists. According to the Office for National Statistics, the median national gender pay gap across all employees was 15.4% in April 2021, we are pleased but not complacent that our median pay gap is 7.1% in favour of men and for part time staff it was 0.88% in favour of women. The gap is due to regional salary difference as we expand our staffing team from London. In addition staff turnover has shifted the composition of the staffing team, particularly at the junior and upper management level, as well as the split between full-time and part-time staff

For the first time this year, we're also reporting on our ethnicity pay gap. The most recently published survey from ONS in 2019 shows regional variations, largest at 23.8% in London and smallest in Wales at 1.4%. We are disappointed to report that our median ethnicity pay gap for all staff was 7.8% in favour of staff who identify as white, for full time staff the gap was 10.6% in favour and for part-time it was 0.8% in favour of staff who identify as white. This is caused by the distribution of staff across our salary bands, with the proportion of people of colour highest in more junior roles and lowest in more senior roles, as well as the split between full-time and part-time staff. We are aiming to improve diversity of recruitment in 2022/23 with an updated recruitment policy with a focus on equality, diversity and inclusion.

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

### Salary quartile

The proportion of people and ethnicity across the four salary quartiles is as follows:

Quartile	Female	Male	White	POC
Lower Quartile	78%	22%	75%	25%
Lower Middle Quartile	60%	40%	91%	9%
Upper Middle Quartile	60%	40%	84%	16%
Upper Quartile	55%	45%	91%	9%
<b>Total</b>	<b>64%</b>	<b>36%</b>	<b>85%</b>	<b>15%</b>

Friends of the Earth does not award bonuses.

### Equality, Diversity & Inclusion

Friends of the Earth is fully committed to championing equality, diversity and inclusion and to continuously learning how to increase the diversity of our people and network, including our Trustees, staff, volunteers and supporters.

This year Friends of the Earth Limited hired a Diversity & Inclusion Manager, who has been developing an EDI action plan and delivering on a number of projects and resources, for example pronouns and microaggressions guidance. It has also established a wider range of EDI representatives and conversations among the staff body, including for people of colour, LGBTQI+ staff, women and non-binary staff, disabled staff and neurodiverse staff, as well as a specific EDI representative for the Union.

In collaboration with diversity and inclusion experts Full Colour, we're working towards becoming an actively anti-racist organisation – while this work did not progress as much as we'd hoped in 2021/22, we expect Friends of the Earth Limited to make much more headway in the coming year with more capacity now in place. It has also continued collaborating with the Friends of the Earth network on anti-racism and is seeking to build partnerships with groups currently underrepresented in the movement.

### Our policies

#### Ethical policies

Friends of the Earth maintains a set of policies designed to ensure high ethical standards in all aspects of our operations. This year we've been working to implement the recommendations from our latest safeguarding review in April 2022 and plan to increase safeguarding capacity in 2022/23 by introducing a designated post in this area. This year we've also reviewed our party-political independence & impartiality and reserves policies and have introduced a health & wellbeing policy. Furthermore, we've tightened our internal controls based on the recommendations of last year's audit.

## Environmental policies

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

Recently we have changed working practices due to the coronavirus pandemic. We are working in a hybrid style and ensuring virtual collaboration which has reduced the need for physical office space. We have set up an Environmental Working Group so that we consider the wider aspects of our organisation.

## Governance

### Structure, governance and management

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

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

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

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

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



## Risk management

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

The principal risks and uncertainties facing the charity moving forward are as follows is of course inflation::

Area	Mitigation
<p>We are currently facing high inflation due to an energy, fuel and food crisis which is resulting in higher prices, increased taxes and higher inflation rates.</p> <p>Currently, the economy is shrinking with concerns we are heading for recession</p> <p>This could affect our fundraising and our ability to reach organisational aims.</p>	<ul style="list-style-type: none"> <li>• Supporters are engaged with our cause. Historically we have had good retention from a diverse donor base. However, we are never complacent and continually monitor results of our fundraising campaigns.</li> <li>• We have a deficit budget in 2022/23, we are intent on spending reserves on strategic projects to move our organisational impact. This means we need to ensure costs are prioritised for maximum impact</li> <li>• We have three-year projections of income which we update on a quarterly basis.</li> </ul>

## Disclosure of information to auditors

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

### Trustees' responsibilities

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

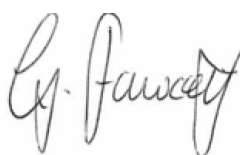
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP and FRS102.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material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

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

### Auditors

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

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



**Gillian Fawcett**  
**Interim Chair**  
24 November 2022

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

### Opinion

We have audited the financial statements of Friends of the Earth Charitable Trust for the period ended 30 June 2022, which comprise the Statement of Comprehensive Income and Retained Earnings, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 June 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 25, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charities ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or

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

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 25, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

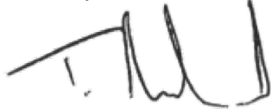
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London  
6 January 2023

## Statement of Financial Activities

		Unrestricted Funds	Restricted Funds	2022	2021
	Notes	£	£	£	£
<b>Income</b>					
Donations and Legacies	2	12,520,824	338,658	12,859,482	12,492,263
Charitable activities	3	26,022	517,126	543,148	358,295
Other trading activities	4	36,084	-	36,084	3,094,915
Investments	5	12,134	-	12,134	12,603
<b>Total Income</b>		<b>12,595,064</b>	<b>855,784</b>	<b>13,450,848</b>	<b>15,958,076</b>
<b>Expenditure</b>					
Raising funds		1,659,686	-	1,659,686	955,562
Charitable activities	6,7	11,031,039	741,058	11,772,097	13,538,887
<b>Total expenditure</b>	8-11	<b>12,690,725</b>	<b>741,058</b>	<b>13,431,783</b>	<b>14,494,449</b>
<b>Net movements in funds</b>		<b>(95,661)</b>	<b>114,726</b>	<b>19,065</b>	<b>1,463,627</b>
<b>Funds brought forward</b>		<b>3,492,263</b>	<b>164,456</b>	<b>3,656,719</b>	<b>2,193,092</b>
<b>Funds carried forward</b>	18	<b>3,396,602</b>	<b>279,182</b>	<b>3,675,784</b>	<b>3,656,719</b>

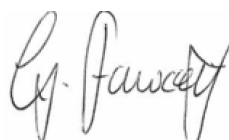


## Balance Sheet

		2022	2021
	Notes	£	£
<b>Fixed Assets</b>			
Intangible fixed assets	<b>13</b>	558,543	-
Tangible fixed assets	<b>13</b>	186,346	615,546
Investments	<b>14</b>	248,029	248,029
		<b>992,918</b>	<b>863,575</b>
<b>Current Assets</b>			
Debtors	<b>15</b>	1,093,593	486,628
Short term deposits and cash in hand		2,099,959	2,533,086
		<b>3,193,552</b>	<b>3,019,714</b>
Creditors		(510,686)	(226,570)
<b>Creditors - Due within One Year</b>	<b>16</b>	<b>(510,686)</b>	<b>(226,570)</b>
<b>Net Current Assets</b>		<b>2,682,866</b>	<b>2,793,144</b>
<b>Net Assets</b>		<b>3,675,784</b>	<b>3,656,719</b>
<b>Funds</b>			
Unrestricted general funds		1,536,602	1,992,263
Designated Funds	<b>17</b>	1,860,000	1,500,000
Restricted funds	<b>18</b>	279,182	164,456
<b>Total Funds</b>	<b>19</b>	<b>3,675,784</b>	<b>3,656,719</b>

The Surplus for the financial year dealt with in the financial statements was £19,065.

The accounts on pages 32 to 50 were approved and authorised by the Trustees on 24 November 2022 and were signed on their behalf,



**Gillian Fawcett**  
Interim Chair

## Statement of Cash Flows

	2022	2021
Notes	£	£
<b>Cash flows from operating activities</b>		
<i>Net cash provided from operating activities</i>	52,864	1,143,751
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	12,134	12,603
Purchase of property, plant and equipment	(498,125)	(60,307)
<b><i>Net cash from investing activities</i></b>	<b><u>(485,991)</u></b>	<b><u>(47,704)</u></b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b><u>(433,127)</u></b>	<b><u>1,096,047</u></b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,533,086</b>	<b>1,437,039</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>2,099,959</u></b>	<b><u>2,533,086</u></b>
Reconciliation of net income to net cash from / (used in) operating activities		
	2022	2021
	£	£
Net surplus for the year	19,065	1,463,627
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(12,134)	(12,603)
Depreciation charges	368,782	84,449
(Increase) in debtors	(606,965)	(122,461)
Increase / (Decrease) in creditors	284,116	(269,261)
<b>Net cash provided from operating activities</b>	<b><u>52,864</u></b>	<b><u>1,143,751</u></b>
Analysis of cash and cash equivalents		
	2022	2022
	£	£
Cash at bank and in hand	<u>2,099,959</u>	<u>2,533,086</u>

## Notes to the Accounts

### 1 Accounting policies

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

#### **Basis of preparation**

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

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

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

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

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

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

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

As part of our going concern review we have ensured we have a balanced budget for 2022/23 and longer-term projections. Due to the current economic circumstances we are reviewing our financials to ensure we maintain a resilient organisation.

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

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

## Notes to the Accounts – cont.

### Accounting judgements and estimates – cont.

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

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

### Income recognition

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

### Donations and legacies

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

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

### Gifts in kind

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

### Grants

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

## Notes to the Accounts – cont.

### Income from charitable activities

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

### Investment income

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

### Expenditure

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

#### Cost of raising funds

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

#### Expenditure on charitable activities

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

Irrecoverable VAT is charged as a cost to the organisation.

#### Allocation of costs

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

#### Operating leases

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

## Notes to the Accounts – cont.

### Investments

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

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

### Fixed assets

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

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

### Creditors and provisions

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

### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Financial instruments

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

## Notes to the Accounts – cont.

### Funds

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

### Employee benefits

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

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

### Foreign currency translation

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

### Legal status

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

## Notes to the Accounts – cont.

### 2 Income from donations and legacies

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gifts and Donations (a)	7,422,410	7,316,003
Legacies (b)	1,001,218	1,282,806
Grants (c)	4,177,660	3,556,072
Donated services and goods (Gifts in Kind) (d)	258,194	337,382
<b>Total</b>	<b>12,859,482</b>	<b>12,492,263</b>

- (a) Included within Gifts and Donations are £338,658 of restricted grants and donations (2020/21: £234,860).
- (b) As at 30 June 2022 we have £1,739,053 (2020/21: £1,425,376) of legacies in the pipeline that do not meet the criteria for income recognition as set out in the accounting policy.
- (c) During the year we received a grant of £4.1m from Peoples Postcode Lottery (2021-nil) There was no grant from Friends of the Earth Limited (2020/21: £3,441,000).
- (d) We continued to receive a gift in kind for our search engine advertising from Google Ireland, worth £258,194 (2020/21 £337,382).

### 3 Income from charitable activities

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Restricted grants (a)	517,126	305,281
Other (b)	26,022	53,014
	<b>543,148</b>	<b>358,295</b>

- (a) Included within other income are furlough grants of £Nil (2020/21: 47,513) received under the Coronavirus Job Retention Scheme.

### 4 Income from other trading activities

The donations received as a result of the community events organised by Friends of the Earth Limited were £36,084 (2020/21: £52,118). In prior years, we received donations from the People's Postcode Lottery via the previous funding regime, this is now paid directly to the Friends of the Earth Charitable Trust.



## Notes to the Accounts – cont.

### 5 Income from investments

Investment income was bank interest of £11,694 (2020/21: £12,146) and dividends of £440 (2020/21: £457).

### 6 Analysis of direct charitable expenditure

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Grants given (a)	9,786,280	11,859,115
Support costs	1,727,623	1,342,390
Gifts in Kind	258,194-	337,382
<b>Charitable activities</b>	<b>11,772,097</b>	<b>13,538,887</b>

(a) Grants given includes the operational grant of £9,770,000 given to Friends of the Earth Ltd (2021: £11,854,000) with the balance grants provided to other organisations.

### 7 Analysis of support costs

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Finance (including Irrecoverable VAT)	1,703,134	1,312,802
Governance costs	24,489	29,588
	<b>1,727,623</b>	<b>1,342,390</b>

Governance costs include:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Board meetings, training, recruitment and Trustees expenses	-	-
Audit Fee	11,300	12,960
Legal & professional costs including Indemnity Insurance	13,189	16,628
	<b>24,489</b>	<b>29,588</b>

## Notes to the Accounts – cont.

### 8 Employee costs

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries	951,798	831,035
National Insurance	94,662	80,288
Pension	48,460	44,270
	<b><u>1,094,920</u></b>	<b><u>955,593</u></b>

The average number of employees during the period was 190 (2020/21: 173). Employees are jointly employed with Friends of the Earth Limited and employee costs above represent Friends of the Earth Charitable Trust's share of employee costs corresponding to fundraising activity undertaken for the Charitable Trust by those jointly employed members of staff.

Friends of the Earth operates a Group Personal Pension Plan for the benefit of its employees. This is a defined contribution scheme and is administered separately from the Charitable Trust. In 2021/22 the Charitable Trust matched contributions made by employees up to 7% of their salary (2020/21: 7%) and these costs are charged to the statement of financial activities as incurred.

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Number of employees who earned		
- between £60,000 and £69,999	2	3
- between £70,000 and £79,999	2	1

The Trustees consider that the senior management team are the key management personnel of the charity running and operating the charity on a day-to-day basis. These staff included the 2 x Joint Co-Executive Directors, Director of Finance & Operations, Director of Income Generation, Director of Policy, Advocacy and Campaigns, Director of Communities and Networks and the Director of Engagement. The total emoluments paid to the eleven senior management staff under their joint contracts of employment were £530,959 (2020/21: £489,906).

## Notes to the Accounts – cont.

### 8 Employee costs – cont.

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

### 9 Analysis of total expenditure

	2022	2021
	£	£
The surplus for the year is after charging:		
Depreciation	368,782	84,449
Auditors - audit	9,220	10,800
Auditors - other	-	-
Irrecoverable VAT	349,000	489,825
Payments under operating leases (note 12)	551,936	517,686

### 10 Trustees' remuneration and expenses

Trustees are not allowed to be paid for their services nor may they be paid employees. No Trustees have any interests in the company. During 2021/22 no Trustees were reimbursed for travel and incidental expenses in the period (2020/21: £nil).

### 11 Corporation tax

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

### 12 Operating leases

The company leases property on short-term leases. The rents paid on these leases, and a share of others, were £517,686 (2020/21: £517,686) and are subject to re-negotiation at various intervals specified in the leases. The total commitments remaining, up to the break clause, are as follows:

## Notes to the Accounts – cont.

### 12 Operating leases – cont.

	2022	2021
Payments due:	£	£
Not later than one year	528,008	309,545
Later than one year and not later than five years	323,547	362,317
Later than five years	-	-
<b>Total</b>	<b>851,555</b>	<b>671,862</b>

### 13 Fixed assets

	Long Leasehold Improvements	Fixtures, fittings and Office Furniture	Computer and Office Equipment	Computer Software	Total Tangible Assets	Work in Progress new CRM system
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
Balance at 1 July 2021	995,933	185,752	54,689	129,704	1,366,078	60,418
Additions	-	-	-	-	-	498,125
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>995,933</b>	<b>185,752</b>	<b>54,689</b>	<b>129,704</b>	<b>1,366,078</b>	<b>558,543</b>
<b>Depreciation</b>						
Balance at 1 July 2021	485,933	140,624	54,689	129,704	810,950	-
Charge in the period	353,480	15,302	-	-	368,782	-
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>839,413</b>	<b>155,926</b>	<b>54,689</b>	<b>129,704</b>	<b>1,179,732</b>	<b>-</b>
<b>Net Book Value</b>						
<b>At 30 June 2022</b>	<b>156,520</b>	<b>29,826</b>	<b>-</b>	<b>-</b>	<b>186,346</b>	<b>558,543</b>
<b>At 30 June 2021</b>	<b>510,000</b>	<b>45,128</b>	<b>-</b>	<b>-</b>	<b>555,128</b>	<b>60,418</b>

## Notes to the Accounts – cont.

### 13 Fixed assets – cont.

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

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

### 14 Investments

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

### 15 Debtors

	2022	2021
	£	£
Trade debtors	8,073	3,680
Income tax recoverable (Gift Aid on donations received)	77,806	105,900
Prepayments and accrued income	281,613	362,553
Other debtors	726,101	5,995
	<b>1,093,593</b>	<b>478,128</b>

(a) Gift Aid on donations received

### 16 Creditors - due within one year

	2022	2021
	£	£
Trade creditors	67,154	167,488
Accruals	391,235	46,744
Other creditors	52,297	3,838
	<b>510,686</b>	<b>218,070</b>

## Notes to the Accounts – cont.

**17 Restricted funds**

**Restricted funds (2021/22)**

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

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

The restricted funds balance as at 1<sup>st</sup> July 2021 and 1<sup>st</sup> July 2020 was previously not separately disclosed in the prior year financial statements. The opening balances at both these dates have been restated to disclose the balance against each restricted fund. This has not resulted to any change in overall funds or income or expenditure as reported in the Statement of Financial Activities.

## Notes to the Accounts – cont.

### 17 Restricted funds – cont.

#### Restricted funds (2020/21)

	Balance			Balance
	1 July	Income	Expenditure	30 June
	2020			2021
	£	£	£	£
Big Lottery Fund: Our Bright Future	1,024	118,589	119,613	-
Phil Michaels' Legal Intern Fund	36,666	44,588	43,017	38,237
Sainsbury's - Divestment	60,639	56,271	64,907	52,003
Julia Davies - Plastics	125,790		90,432	35,358
Climate Ambition	45,129	220,996	266,125	-
COP 26	-	52,754	21,215	31,539
Legal	-	14,213	14,213	-
Cumbria Coal mine	-	30,625	23,739.0	6,886.0
Trees	5,807		5,807	-
Greener Streets	-	2,105	1,672	433
<b>Total</b>	<b>275,055</b>	<b>540,141</b>	<b>650,740</b>	<b>164,456</b>

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

	2022	2021
Charitable Activities	£	£
Climate	690,003	358,856
Nature	67,458	179,180
Other	98,324	2,105
	<b>855,785</b>	<b>540,141</b>

## Notes to the Accounts – cont.

### 18 Designated funds

	2022	2021
	£	£
New Customer Relationship Management (CRM) system (a)	1,150,000	1,000,000
Fundraising Investment Fund	500,000	500,000
Strategic projects including 10x greener	210,000	-
	<u>1,860,000</u>	<u>1,500,000</u>

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

(a) £1.15m has been designed for capital costs of the new CRM system, which will come into use in the Spring of 2023.

(b) The Fundraising Investment Fund of £500k will be used to develop an income generation strategy to provide investments in pilots and resourcing new initiatives.

c) We have designated £210k to fund strategic pilots and projects including 10x greener.

### 19 Analysis of net assets between funds

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

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



## Notes to the Accounts – cont.

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

#### Analysis of net assets between funds (2020/21)

	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Fixed Assets	863,575	-	863,575
Net current assets	2,628,688	164,456	2,793,144
	<b>3,492,263</b>	<b>164,456</b>	<b>3,656,719</b>

### 20 Results of subsidiary

#### Friends of the Earth Climate Action Limited

The charity had a wholly owned trading subsidiary, Friends of the Earth Climate Action Limited, that was incorporated on 12 February 2020. From July 2021, income from the People's Postcode Lottery was received as a grant direct to the Trust. As a consequence, this subsidiary was dissolved on 15 February 2022 and all remaining balances transferred into the Trust.

	2022	2021
	£	£
<b>Income</b>		
People's Postcode Lottery	-	3,042,500
<b>Expenditure</b>		
Administrative expenses	-	393,871
Surplus		2,648,629
Amount gift aided to Friends of The Earth Charitable Trust	-	(2,648,629)
	_____	_____
	_____	-

## Notes to the Accounts – cont.

### 20 Results of subsidiary – cont.

The assets and liabilities of the subsidiary were

	2022	2021
	£	£
Current Assets		8,500
Creditors: amounts falling due within one year		(8,500)
<b>Total Net Assets</b>	<u>-</u>	<u>-</u>
<b>Total Reserves</b>	<u>-</u>	<u>-</u>

### 21. Liability of members

In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. At 30 June 2022 the number of members was 4 (2020/21: 5).

## Notes to the Accounts – cont.

### 22 Related Party Transactions

There were no related party transactions in the period.

### 23 Comparative Statement of Financial Activities

2020/21

		Unrestricted Funds	Restricted Funds	2021
	Notes	£	£	£
<b>Income</b>				
Donations and Legacies	2	12,257,403	234,860	12,492,263
Charitable activities	3	53,014	305,281	358,295
Other trading activities	4	3,094,915	-	3,094,915
Investments	5	12,603	-	12,603
<b>Total income</b>		<b>15,417,935</b>	<b>540,141</b>	<b>15,958,076</b>
<b>Expenditure</b>				
Raising funds		955,562	-	955,562
Charitable activities	6,7	12,888,147	650,740	13,538,887
<b>Total expenditure</b>	8-11	<b>13,843,709</b>	<b>650,740</b>	<b>14,494,449</b>
<b>Net movements in funds</b>		<b>1,574,226</b>	<b>(110,599)</b>	<b>1,463,627</b>
<b>Funds brought forward</b>		1,918,037	275,055	2,193,092
<b>Funds at 30 June 2020</b>	18	<b>3,492,263</b>	<b>164,456</b>	<b>3,656,719</b>