



**Friends of the Earth Limited
Report and Accounts
for the year ended 30 June 2021**

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Legal and administrative information

Friends of the Earth Limited is a company limited by guarantee, not having a share capital and is governed by its memorandum and articles of association.

Company Registration Number: 01012357
Registered office: The Printworks, 1st Floor
139 Clapham Road, London
SW9 0HP
Country of incorporation: England and Wales

The Directors of the company are responsible for the governance, strategic direction and oversight of the management of Friends of the Earth. The Directors who held office during and shortly after the financial year were:

M Anyadike-Danes (appointed 18 February 2021)

F Butler

C Church (resigned 3 July 2020)

J Collins

G K Malhi

E Neitzert

D K Polley

A K Rashid

A Schiffer (resigned 3 July 2020)

M J Wright

Co-Executive Directors: H Knowles & M Turner (permanently appointed 27 October 2020; interim since 8 February 2020)

Company Secretary: K Bowden

The day-to-day management is delegated to the Co-Executive Directors (H Knowles and M Turner), the Senior Leadership Team (made up of employees selected for their expertise in the various activities of the organisation) and the company's other staff.

Principal advisers

Registered Auditors:

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

Bankers:

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

About Friends of the Earth

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

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

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

In the UK, we've been responsible for making recycling not just a household word, but a household habit. We successfully campaigned for the world's first climate change law, the Climate Change Act 2008, which paved the way for similar legislation around the world. Our combined strength has meant we have been able to push back against drilling for fossil fuels, ensure legal protection from pesticides for bees, and most recently help secure the refusal of planning permission for a new opencast coal mine at Druridge Bay.

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

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



Chair's statement

Increasing signs of climate breakdown across the world are affecting communities everywhere, and it is those who did the least to cause this emergency who are most adversely affected. Looking ahead to COP26, there needs to be full and safe participation for all, especially for those from the Global South.

Like everyone, we have had to learn to live and work under the Covid-19 pandemic. We are grateful to our many supporters and donors, who have ensured that our income has remained strong, and to our dedicated staff and community groups for adapting to new ways of working. We marked our 50th anniversary with an online event across England, Wales and Northern Ireland, which brought long-standing campaigners, activists and staff together (more, perhaps, than might have been possible in person) to celebrate past achievements and to prepare for the challenges ahead.

In October 2020 the Board, together with Trustees from our sister charity Friends of the Earth Charitable Trust, was delighted to appoint Miriam Turner and Hugh Knowles as Co-Executive Directors from a competitive field. During the year the Board also approved a revised organisational strategy, which foregrounds our commitment to a just transition that prioritises communities and tackles systemic injustices.

We welcomed Monye Anyadike-Danes, who is based in Northern Ireland, to the Board this year, and we are currently undergoing an external governance review to ensure that the Board is as effective and accountable as it needs to be.

Friends of the Earth is a movement of committed and talented campaigners, activists, supporters, donors, staff and volunteers and the Board gives grateful thanks for everyone's invaluable contributions to our collective mission.

Frances Butler
Chair



Co-Executive Directors' statement

Despite the challenging backdrop we have all faced over the past 12 months, Friends of the Earth Limited made significant progress throughout the year in our fight against the climate and ecological crises.

Our network continues to grow in strength, and we are seeing this translate into real impact. We ended the year with 349 Local Groups and Climate Action Groups across England, Wales and Northern Ireland. 80 of these groups and over 7,000 supporters took part in our election campaign in May, resulting in a large number of candidates committing to our Climate Action Pledge (41% of new Members of the Senedd, 6 out of 8 newly elected Metro Mayors, 56% of London Assembly Members and thousands of newly elected representatives). Commitments so far include the Welsh government announcing a powerful new Climate Change Ministry, a freeze on all new road building and a moratorium on new incinerators.

We were also incredibly proud to see our climate campaign secure some iconic and long-fought wins on the way to ending the fossil fuel era: the end of opencast coal at Druridge Bay and the calling in of the Cumbria coal mine, which will move to public inquiry. Our doubling tree cover campaign saw a government commitment to a long-term target on tree cover in England for the first time, which we will continue to work on as the Environment Bill goes through in the first half of 2022. We also played a key role in the civil society response to the Policing Bill, co-chairing (with Liberty) the Policing Bill civil society Parliamentary Group.

As ever we are very grateful to our financial supporters and donors, the People's Postcode Lottery and its players for their ongoing support and our Extra Award, and to our largest grantor, Friends of the Earth Charitable Trust, for continuing to fund and invest in us.

In the year ahead, we will focus on using the media and diplomatic spotlight of COP26 in Glasgow as a lever to end government investment in fossil fuels and to build the strength and diversity of the movement. We will also be developing and launching new campaigns to follow through from COP, with a strong focus on ensuring the transition to a green and fairer world doesn't leave anyone behind. Any other pathway would risk the societal stability required to land the bold policies we need.

Hugh Knowles and Miriam Turner
Co-Executive Directors

Strategic report

Our mission and strategy

Our mission

Our mission is the protection of the natural world and the wellbeing of everyone in it. We believe in inspiring individuals to come together and create a better world today – one that is authentic, desirable and good for people and planet.

Our strategy

The past year has seen a strategic shift at Friends of the Earth, with our previous strategy coming to an end in 2020 and the appointment of our new Co-Executive Directors. Our updated strategy was developed in the first half of 2021, and a key focus for us over the course of the next year will be laying the groundwork for its successful implementation.

By 2030, we need to see a transformation in human society – an even greater challenge than when the previous strategy was written. The speed and robustness of action over the next decade will determine whether we avoid the worst impacts of the climate and ecological crises or end up with a severely degraded natural world and diminished capacity to support humanity. In this context, *what* we exist to achieve hasn't changed but *how* we achieve it must.

From 2021 onwards, at the heart of our work must be those suffering now due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transition, both here and overseas.

We commit to developing broader and more diverse networks, partnerships and feedback loops that enable us to listen to these voices, use their insights, and help build their power. What we learn from our evolved network will inform the development of our campaigns, locally, nationally, and globally.

We commit to standing alongside those suffering today due to climate and ecological breakdown, those oppressed and those most at risk. In doing so, we will more clearly differentiate ourselves as an environmental justice organisation.

We want to build power, prevent a backlash and use our strengths to accelerate to the low-carbon, nature-positive transition that must take place. We want to ensure this transition works for everyone, and addresses and resolves inequalities and exclusion, even as it lays the path for a greener future.

This is an evolution of what we have always done, namely use our expertise and experience nationally and regionally to support the grassroots, and work together to campaign for change from local to national to global.

Our achievements in 2020/21

At Friends of the Earth, we set clear annual objectives and key results (OKRs) as part of our business planning process. Progress against these OKRs is closely monitored throughout the year to ensure we are on track to maximise our impact and achieve our goals.

This year we concentrated our efforts on harnessing the strengthened grassroots network and people power that we built in 2019/20 to achieve wins relating to climate, nature and environmental rights and justice. We also continued building our movement and increasing its diversity and inclusivity. Our organisational OKRs were to:

1. Reduce the UK's carbon emissions quickly and fairly through local climate actions plans and national interventions;
2. Create support for justice-based responses to the ecological crisis;
3. Build an inclusive organisation and network;
4. Sustain, grow and diversify a movement strong enough to tackle the climate and ecological crises;
5. Defend environmental rights and challenge environmental injustices, particularly for the worst affected.

In 2021/22 we will extend our monitoring and evaluation framework to include both OKRs and Key Performance Indicators (KPIs), which will measure foundational organisational health in various areas.

Without the incredible support of our community groups, activists, supporters and funders, as well as collaboration with the wider movement, our activities and achievements this year would not have been possible.





75% of councils have a climate action plan in place



Planning permission for Druridge Bay coalmine refused



Launch of our Green Space Map highlighted most green space deprived areas



Began our journey towards becoming an actively anti-racist organisation



97,000 signatures from our supporters on a joint petition against the policing bill



Over 100 training sessions delivered to our network



45 students completed our My World My Home further education programme



2,000 councillors signed our joint letter against proposed planning reforms



2050 tree cover target included in England Tree Action Plan



Partnerships built with groups currently underrepresented in the movement

Climate (OKR1)

As made abundantly clear by the latest IPCC report, it is essential that we act now to tackle the climate emergency and prevent irreparable damage to our planet. At the same time, we must ensure that the transition is fair and changes all lives for the better, leaving no-one behind. Our goal this year was to reduce UK carbon emissions quickly and justly through climate action plans, a green and fair recovery from the Covid-19 pandemic and opposition to high carbon infrastructure.

Thanks to the campaigning of our community activists and supporters, along with others in the movement, we have contributed to the adoption of climate action plans at the local, regional and national level. 75% of councils now have climate action plans in place, while 75% of metro mayors and 41% of the Welsh Senedd have committed to introducing a strong climate action plan in their area. Friends of the Earth Northern Ireland has also been instrumental in creating and lobbying for the Climate Bill currently making its way through the Northern Ireland Assembly. Such plans are essential for driving bold and ambitious climate action and holding all levels of devolved government to account.

Over 250,000 people have now signed our petition calling on the government for urgent climate action that is both green and fair. With the support of People's Postcode Lottery, Teach the Future, the National Union of Students and Students Organising For Sustainability UK, we were also proud to publish our Green Jobs Report on creating green jobs for young people, which aims to address both the climate and youth unemployment emergencies.

While the Supreme Court sadly overturned our historic win against Heathrow expansion in December 2020, we will continue to fight the third runway in the planning stages, knowing that the longer we can delay the project, the more difficult expansion will become given society's increased awareness of the climate crisis. This shift was demonstrated by the government's decisions to refuse planning permission for a new opencast coal mine at Druridge Bay and to end support for fossil fuel projects abroad, both of which Friends of the Earth was instrumental in campaigning for. In partnership with our sister organisation JA! (Friends of the Earth Mozambique), we continue to challenge the government on its financial support for a climate-wrecking gas project in Mozambique and anticipate a Judicial Review hearing later this year.

Nature (OKR2)

As equally pressing as the climate emergency is the ecological crisis, which sees wildlife across the world facing mass extinction, the destruction of green space and our increasing separation from nature and all its benefits. Our aim this year was to tackle the ecological crisis in ways that also focused on justice, protecting everyone's right to a healthy environment.

Although we were unable to achieve a commitment from the government to double UK tree cover, the England Tree Action Plan published in May 2021 did include a 2050 target where previous drafts hadn't, even if a 12% increase is disappointingly low. Thanks to our Tree Summit, we were however able to obtain confirmation from Forestry Minister Zac

Goldsmith that existing tree targets are a minimum rather than a ceiling. The government has also unlocked more funding for councils to increase tree cover on their land, the first time it has done so.

We were proud to publish our interactive Green Space Map this year, which identifies the neighbourhoods that are most green space deprived in England and highlights the extent to which the country's black and brown communities are disproportionately affected. Our petition calling on government action to prevent mass extinction has also garnered over 160,000 signatures.

Drawing on the invaluable insights of our network, we are in the process of developing a new nature campaign that has justice at its heart. Although this has been somewhat delayed due to internal capacity and the refresh of our organisational strategy, we hope to launch this campaign in the first half of 2022.

Inclusivity (OKR3)

We need a diverse range of voices to solve global problems and achieve social justice, and at Friends of the Earth we want to support a wide and inclusive range of local communities to build their power and campaign for solutions. A key priority for us this year was therefore to build a more inclusive organisation and network, with a particular focus on race and ethnicity.

While we are still in the early stages of our journey towards becoming an actively anti-racist organisation, we have successfully partnered with diversity and inclusion specialists Full Colour to design a programme of work that can be rolled out during our next business year. We have also developed an internal communications guide to help ensure that our communications reflect the diversity of the UK and the people and groups with whom we work.

We have introduced two placements for young people via the government's Kickstart Scheme, which funds employment opportunities for 16-24 year olds, and plan to take on more Kickstart placements, as well as develop further entry-level opportunities for young people.

We have begun delivering anti-racism training to our network of community groups, although we would like to see increased take-up of this going forwards. During the year we have also built relationships and partnerships with groups currently underrepresented in the movement so that we can tackle environmental struggles together – these include The Race Equality Centre in Leicester, Climate Cymru in Wales and Include Youth in Northern Ireland.

Our new strategy emphasises the need to continue this important work, ensuring that we are listening to and building the power of those suffering most now due to climate and ecological breakdown, and those most at risk of not participating in, or benefiting from, the transition. Although we still have a long way to go, we are encouraged by the progress made so far and recognise the importance of taking the time needed to ensure that this journey is authentic and meaningful.



Movement building (OKR4)

As the largest grassroots environmental campaigning community in the UK, we recognise the importance of people power, whether individuals, groups or whole communities. Our goal this year was to sustain, grow and diversify a movement strong enough to tackle the climate and ecological crises.

We significantly ramped up our training programme during 2020/21, providing our network of around 130 Local Groups and over 270 Climate Action Groups (78 new this year) with well over 100 webinars and events designed to empower, upskill and inspire. These were very well received by our network, with more than 2,300 sign-ups over the course of the year. We have also been developing a new approach to engagement that will help us foreground the stories and voices of the communities with whom we work and look forward to embedding this in 2021/22.

We were pleased to have 45 college students complete our My World My Home further education programme in a year during which teaching and education were particularly difficult. Our supporter base and fundraising programme both saw modest growth, with over 30,000 new supporters, over 12,000 new single and regular givers and year-end income of £13.7m, £320k more than 2019/20. In a year dominated by the ongoing pandemic, this growth is a testament to our supporters' and donors' generosity and their commitment to our cause. While our financial situation at year-end was better than anticipated, we maintain a cautious approach heading into 2021/22, recognising that the economic fall-out from the pandemic has not yet been fully felt. See page 15 for our financial review.

Environmental rights and justice (OKR5)

For centuries, the social, political and economic systems under which we live have fuelled the climate and ecological crises and entrenched injustice and inequality. We need to use

the tools at our disposal to change systems so that they benefit both people and planet. Our aim this year was therefore to defend environmental rights and challenge environmental injustices, particularly for those worst affected.

We have continued to oppose attacks on environmental rights and justice, most notably in relation to the government's proposed planning reforms. We have helped build significant backbench and local opposition, for example via a sign-on letter in collaboration with CPRE that received over 2,000 signatures from councillors in England. This work has increased awareness of and support for local democratic scrutiny and key safeguards, and we anticipate that the proposed changes will be lessened.

We have also continued to fight for transparent trade deals and the highest standards of environmental protection and regulation. While our Trade Bill scrutiny amendment was sadly unsuccessful, we did achieve two concessions relating to import standards and considerable public support for our trade work, including 15,000 people taking action with us.

Both at home and internationally, we have worked hard to defend human rights and civil liberties. Solidarity for our sister organisations across the globe has seen us support Friends of the Earth International colleagues in countries such as Mozambique, Bulgaria, Palestine, Columbia, Uganda and Bangladesh. This included support for the ground-breaking legal victory against Shell in the Netherlands and calls for an inquiry into the killing of an Indonesian environmental activist. At home we have largely focused on developing opposition to the Police, Crime, Sentencing and Courts Bill, which threatens the right to peaceful protest and aims to criminalise the way of life of nomadic Gypsy, Roma and Traveller communities. In collaboration with Liberty and other groups, we have handed in a joint petition with around 600,000 signees (over 97,000 from Friends of the Earth supporters) and an open letter from over 250 organisations.

Coronavirus 2020/21

The key event of the year, for both the organisation and the world, has been the effect of the Covid-19 pandemic.

To say that Covid had an effect on the organisation would be an understatement, but we have acted with professionalism and empathy towards our supporters, donors, network and staff to ensure that our impact on tackling the climate crisis was not diminished.

Across the organisation, plans were changed and adapted so that we could continue our work while protecting the physical health and wellbeing of our staff and network. Some examples of this were:

- Pausing donor appeals during the initial stages of the lockdown and instead ensuring connection through messages of comfort and support.
- Stopping in-person engagement events and moving to virtual ones.
- Providing guidance and support to our group network, including developing resources and training for groups to move their activities online and supporting them in taking online action for key mobilisation moments (particularly our Week of Action for a Green and Fair Recovery and the 2021 elections).
- Forming an internal Covid-19 working group, which first convened on 4 March 2020 and met regularly throughout 2020/21, to assess the impact of the pandemic and manage our organisational response.
- Moving to home working (ahead of government advice to do so) – this included providing office equipment, wellbeing support and training to managers and staff and procuring an external coaching service through which staff could discuss professional and/or personal matters in confidence.
- Ensuring our offices were Covid secure and following health & safety best practice (even though our offices were closed for much of the year). Our offices are now open to those who wish to attend (subject to a negative lateral flow test or two vaccinations, as well as risk assessments for any in-person meetings or events), although most staff are still working from home.

In many ways our connection as an organisation has become deeper, with the move to fully virtual meetings helping our various regional offices feel more connected. During this period our group network has also grown from 271 to 349 groups, increasing the number of local interventions on environmental issues that we are able to make.

Due to the success of homeworking, we intend to move to a hybrid working set-up in 2022, with most staff combining home and office working to varying degrees. We are currently in the early stages of developing the strategy, policy and principles needed to support this new way of working.

In summary we have adapted well to the pandemic, supporting our staff and our network. While it is certainly not an experience we would have hoped for, it has been one that has ultimately made us a stronger organisation for the future.

Financial performance

Like many organisations, we were concerned about the potential impact of the pandemic on our finances and sustainability. We had to carefully budget this year as we had significant concerns about the economic effect of Covid-19, resulting in a budget based on the lowest certain level of income.

In the year income was £14.5m, an increase of £1.8m on 2019/20. Income is sourced from our many donors and supporters, through participation in the People's Postcode Lottery and from grants for our charitable activities. We are grateful for the continued support of our loyal donors.

Our annual operational grant from Friends of the Earth Charitable Trust was £11.9m, an increase of £4.2m on 2019/20. The reason for this increase was due to a change in the People's Postcode Lottery funding methodology in the year, in which the funding moved from lottery income received by Friends of the Earth Limited to a Climate Action grant received by Friends of the Earth Charitable Trust. As a result of this change, People's Postcode Lottery income directly received by Friends of the Earth Limited decreased by £2.7m, and our grant from Friends of the Earth Charitable Trust increased accordingly.

We legitimately accessed furlough support from the government for staff who were unable to work remotely due to their role, or who had childcare or wellbeing concerns. In total our furlough grant was £398k (£184k in 2019/20). Organisationally we ensured that we followed government guidelines on furlough and gave regular guidance to staff so that the ever-changing rules were transparent. As the government contributed 80% of salaries for staff on furlough, the organisation paid the remaining 20% of each salary to prevent financial pressures on furloughed staff. We also set up a Covid-19 hardship loan fund for those who needed it due to financial issues.

Overall expenditure was £13m this year, an increase of £1.5m on 2019/20. This increase is largely due to the qualifying charitable donation to Friends of Earth Charitable Trust, which increased by £2.7m due to high lottery income received in 2019/20.

Due to our financial concerns regarding the potential impact of Covid-19 and our decision to set an initial budget based on the lowest level of income, we had to cut costs. Consequently, the organisation moved to a 20% reduction in hours and a corresponding 20% reduction in salaries from the beginning of September to the end of November 2020. These salary reductions were tapered to protect staff on lower salary bands from receiving a full 20% reduction in pay. This meant that salary costs reduced by £180k compared with 2019/20 levels.

As a result of Covid-19, many of our activities were carried out remotely or postponed, which meant our campaigning costs reduced by £1m. Despite this we were able to provide focused virtual support to our groups and thereby continue building our group network and campaigning impact in a more cost-effective manner.

Reserves

During the year an updated reserves policy was approved by the Board. Covid-19 has shown the scale of impact unexpected events can have, and the UK faces an uncertain economic future. This policy recognises that it is prudent to hold sufficient reserves to meet our obligations and invest in the future, balanced with the expenditure required to maximise our impact.

The finances of the organisation are largely dependent upon the support of its largest funder, Friends of the Earth Charitable Trust. 78% of our income came from the Charitable Trust in 2020/21 via an operational grant.

As a result of this dependency, the reserves policy was amended to take a risk-based approach to reserves, aiming to hold a General Fund (defined as total reserves less designated funds, which consider the probability and financial impact of identified risks in the organisational risk register) equating to between three and six months of expenditure. The organisation's policy is to not hold excessive reserves and aims for reserves to be liquid wherever possible.

Our expenditure in 2020/21 (net of the operational grant) was £9.5m, resulting in a reserves range of £2.4m to £4.7m. At the end of the year organisational reserves were at £3.6m, approximately 4.8 months of reserves coverage.

The Board is content that this is an appropriate level of reserves for the organisation to ensure future resilience.



Our plans for 2021/22

With an exciting and ambitious refreshed organisational strategy in place, our aim during 2021/22 will be to shift our direction to align with this new strategy. Central to this will be increasing our focus on listening to and learning from our network and those communities most vulnerable to climate and ecological breakdown as well as being excluded from the transition to a greener and fairer world.

During the second half of 2021, we will aim to consolidate the progress we've made over the past year and secure wins for our existing campaigns, including around climate action plans, domestic and international fossil fuel projects and threats to civil liberties. COP26 will of course be a key focal point for the whole movement, and we'll be supporting communities up and the down the country as well as our international sister organisations, particularly those in the global south, to have their voices heard and push for bolder, fairer solutions to the crises we face.

During the first half of 2022, we will be launching new justice-based climate and nature campaigns in line with our new strategy, informed by insights gathered from our evolved network. We will also be investing in data projects to bolster the rigorous evidence and insights on which our activism and campaigns are based.

Internally, we will focus on aligning our fundraising approach with our strategic direction and continuing our ongoing CRM project.

Over the course of the year, we aim to:

- Build even more community power to win existing campaigns and inform new ones.
- Win our campaign against UK government support for fossil fuels and develop a new justice-focused campaign package.
- Ensure that those worst affected by the climate and ecological crises, as well as those at risk of being excluded from the transition to a greener and fairer world, are able to inform our work.
- Defend communities' rights to protect their environment and challenge environmental injustices, particularly for the worst affected.
- Ensure a resilient and robust funding model.
- Continue developing our new CRM system.

We are also introducing a new KPI approach to monitoring foundational organisational health, including areas such as our supporter base, income and operations. By the end of the year, we aim to have also improved our ability to accurately assess our external impact using this approach.

Our people

Staff and volunteers

Friends of the Earth employs around 170 staff, with offices in London, Belfast, Cardiff, Birmingham, Leeds, Manchester, Bristol and Brighton. This year we moved into new, more flexible workspaces in Brighton and Cardiff. Staff costs are detailed in Note 7 to the accounts. We are also indebted to the invaluable service of our volunteers who provide support to our staff body, for example in campaigns and fundraising.

In 2018 Friends of the Earth conducted a salary review exercise and amended our pay scale structure against sector benchmarks. This enabled us to have a transparent and consistent structure.

The Board meets with representatives of the Union on an annual basis, and, together with Trustees of Friends of the Earth Charitable Trust, it appointed our new Co-Executive Directors, Hugh Knowles and Miriam Turner, in October 2020. We are proud that, for the first time in our history, this role is held by a job share and a woman.

Gender pay gap

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

While it is disappointing to see an increase in our gender pay gap having almost eliminated it last year, the change is due to turnover shifting the composition of the staffing team, particularly at middle management level. We were pleased to recruit more staff in regional locations across England, Wales and Northern Ireland during the year, although this also affects the gender pay gap due to the absence of London weighting.

According to the Office for National Statistics, the national gender pay gap across all employees was 15.5% in 2020. Information on our gender pay gap as of 30 June 2021 can be found below.

Median

The median gender pay gap (the middle value of hourly rates) for all staff was 3.48% in favour of men. For full-time staff the gap was 5.96% in favour of men and for part-time staff it was 2.18% in favour of men.

Mean

The mean gender pay gap (the average hourly rate) for all staff was 5.49% in favour of men.

Salary quartile

The proportion of men and women across the four salary quartiles is as follows:

Quartile	Female	Male
Lower Quartile	64%	36%
Lower Middle Quartile	63%	37%
Upper Middle Quartile	63%	37%
Upper Quartile	65%	35%
Total	64%	36%

Friends of the Earth does not award bonuses.

Activists

We couldn't achieve what we do without the incredible dedication of our community group members and other activists across England, Wales and Northern Ireland. The Directors sincerely thank and pay tribute to the vital contribution they make; their time, passion and commitment is essential to achieving Friends of the Earth's mission and that of the wider movement.

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 Board, staff and volunteers, community activists and supporters.

In collaboration with diversity and inclusion experts Full Colour, we are working towards becoming an actively anti-racist organisation and expect to roll out a programme of work on this in 2021/22. We are also providing our network with anti-racism training and are seeking to build partnerships with groups currently underrepresented in the movement.



Our policies

Ethical policies and safeguarding

Friends of the Earth maintains a set of policies designed to ensure high ethical standards in all aspects of our operations. Following an external safeguarding review that we commissioned in 2019, our safeguarding team has successfully implemented 17 of the 19 recommendations, with one outstanding recommendation an ongoing process rather than a completable action and the other due to be completed by the end of 2021. We also commissioned a follow-up review from the same external consultant to assess progress, which was completed in April 2021, and are in the process of reviewing the further recommendations that came out of this. This year we have also updated our reserves, investment, expenses, procurement, risk management, data protection, and anti-fraud, bribery & corruption policies and have introduced policies on financial assurance and internal controls.

Environmental policies

Friends of the Earth is committed to practising what we preach. Alongside our Cycle to Work scheme, our Climate Perks policy, introduced in July 2019, provides staff with up to two days of paid annual leave per year if they opt for more carbon friendly travel options when on holiday. Other environmental policies include our travel policy, which encourages active travel and prohibits short haul flights unless the carbon emissions are demonstrably lower than other modes of transport, and our policy that our offices use 100% renewable energy. Our updated procurement policy ensures we are using suppliers with high ethical and environmental impact standards.



Governance

Structure, governance and management

Friends of the Earth comprises two separate legal entities operating under a regulated dual structure arrangement. Friends of the Earth Limited, a not-for-profit company limited by guarantee, undertakes all campaigning and activism and is responsible for people, finance and operations. During the year, Friends of the Earth Limited applied for and received grants for its charitable activities from Friends of the Earth Charitable Trust, a registered charity with independent trustees. Friends of the Earth Charitable Trust raises charitable funds and provides grants to organisations for charitable activities that further its objectives, including Friends of the Earth Limited. The two entities share staff, certain resources and the brand, allowing both organisations to achieve their objectives in a cost-effective manner.

Directors are privileged to serve a company that is part of a local to global environmental movement and in particular value the historic and ongoing importance of Local Groups, as well as our more recent Climate Action Groups. The Board normally meets five times a year and has as its principal roles determining mission, values and strategy and scrutinising organisational performance, prudent finances and assessment of risk. The Chair of the Board is responsible for line managing the Co-Executive Directors.

Directors typically serve two three-year terms and during their tenure are also company members. Board recruitment is undertaken in accordance with the Articles of Association and the Board's Recruitment Policy. The Board's Code of Responsibility, Accountability and Conduct recognises the Board's accountability to our staff, groups, member supporters, financial supporters, activists and all other stakeholders of the company. The Board also engages with our Local Groups through events, updates and the Chair's email account.

The Board seeks to ensure that the composition of the Board reflects the necessary skills and experience, national and regional residence and our commitment to increasing diversity at all levels of Friends of the Earth. In February 2021 the Board was delighted to welcome a new Board member, Monye Anyadike-Danes, who is based in Northern Ireland. Chris Church and Anne Schiffer's terms ended in July 2020 and the Board warmly thanks them for their service to the organisation.

Risk management

The Directors have considered the major risks to which the company is exposed and confirm that systems have been established to mitigate those risks, including an updated risk management policy. This review, carried out by the Directors and senior staff, has identified that there are currently no significant risks that require urgent remedial action outside the company's normal systems and procedures. Directors consider risks and mitigating actions on a quarterly basis.

At the end of the year (July register) the most significant risks were:

Area	Mitigation
We are unable to recruit or retain staff or give them a supportive working experience.	<ul style="list-style-type: none"> • We have defined salary scales and recruitment processes. • We have improved objective setting so that staff's work is more aligned with our business plan. • We are working on cultural improvements so that we can be a supportive organisation. • We are working on equality, diversity and inclusion initiatives to become an anti-racist organisation.
We are at risk of fraudulent attacks.	<ul style="list-style-type: none"> • Strong financial controls are in place, and we have system controls within our IT environment. During 2021/22 we intend to achieve Cyber Essentials accreditation and embark on improved staff training. • We are never complacent.
We are dependent upon the income on our main grantee, Friends of the Earth Charitable Trust. As People's Postcode Lottery income has transitioned to Friends of the Earth Charitable Trust (due to its new funding model), Friends of the Earth Limited is now more dependent upon the income from our main grantee.	<ul style="list-style-type: none"> • We are in the process of agreeing a longer-term funding Memorandum of Understanding between the two organisations.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for ensuring that adequate accounting records are kept that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board and signed on its behalf.



Frances Butler
Chair
18 November 2021

Independent Auditors Report to the Members of Friends of the Earth Limited

Opinion

We have audited the financial statements of Friends of the Earth Limited for the year ended 30 June 2021, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of Friends of the Earth Limited's affairs as at 30 June 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors 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 directors' report, which includes the directors' report [and the strategic report] prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the directors' 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 company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 23, the directors 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 directors 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 directors are responsible for assessing the 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 directors

either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. 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 company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were: General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors 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 including estimates and judgements. Our audit procedures to respond to these risks included enquiries of management and the directors about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members 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

22 November 2021

Statement of Comprehensive Income and Retained Earnings

		2021	2020
Income	Notes	£	£
Supporter Contributions	2	1,398,317	1,270,013
Grants Received	3	12,298,005	7,913,329
Other	4	824,143	3,544,323
Total Income		14,520,465	12,727,665
Expenditure			
Supporter Recruitment		680,203	658,705
Campaigning & Activism		8,041,091	9,177,753
Grants		3,806,912	1,256,524
Fundraising		389,824	351,877
Management & administration		68,372	115,999
Total expenditure	5	12,986,402	11,475,315
Net surplus / (deficit) for the year before tax		1,534,063	1,252,349
Taxation charges	14	(5,006)	880
Net surplus / (deficit) for the year after tax		1,539,069	1,251,469
Accumulated surplus at beginning of year		2,042,737	791,268
Accumulated surplus at end of year		3,581,806	2,042,737

Balance Sheet

	Notes	2021 £	2020 £
Tangible Fixed Assets			
Fixed Assets	9	180,867	322,586
		180,867	322,586
Current Assets			
Debtors	10	486,107	682,758
Cash		4,017,504	2,114,450
		4,503,611	2,797,208
Creditors - due within one year	11	(1,100,296)	(1,042,884)
Net Current Assets		3,403,315	1,754,324
Creditors - due after more than one year	12	(2,376)	(34,174)
Total Net Assets		3,581,806	2,042,736
Reserves			
Accumulated reserves		3,581,806	2,042,736

Approved and authorised for issue by the Directors on 18 November 2021 and signed on behalf of the Board,

Frances Butler

F Butler
Director and Chair

Statement of Cash Flows

		2021	2020
	Notes	£	£
Cash inflow / (outflow) from operating activities	A	1,919,157	416,455
Cash inflows / (outflows) from investing activities			
Dividends, interest and rents from investments	4	-	38
Purchase of property, plant and equipment	9	(16,103)	(27,480)
Fixed assets under construction		-	(38,842)
Change in cash and cash equivalents		<u>1,903,054</u>	<u>350,171</u>
Cash and cash equivalents at beginning of the year		<u>2,114,450</u>	1,764,279
Cash and cash equivalents at end of the year	B	<u>4,017,504</u>	<u>2,114,450</u>

Note A: Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income / (expenditure) for the year	1,539,069	1,251,469
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	-	(38)
Depreciation charges	157,823	173,894
(Increase) / decrease in debtors	196,652	(464,956)
Increase / (decrease) in creditors	25,613	(543,914)
Net cash generated from / (used in) operations	<u>1,919,157</u>	<u>416,455</u>

Note B: Analysis of changes in net debt

	As at 1 st July 2020	Cashflows	New lease and loans	Other non cash changes	As at 30 th June 2021
	£	£	£	£	£
Cash and cash equivalents					
Cash	2,114,450	1,903,054	-	-	4,017,504
	<u>2,114,450</u>	<u>1,903,054</u>	=	-	<u>4,017,504</u>
Borrowings					
Loans due within a year	(5,000)	-	-	-	(5,000)
Finance Leases due within a year	(46,276)	13,670			(32,606)
Finance Leases due over a year	(34,174)	31,798			(2,376)
	<u>(85,450)</u>	<u>45,468</u>	-	-	<u>(39,982)</u>
	<u>2,029,000</u>	<u>1,948,522</u>	-	-	<u>3,977,522</u>

Notes to the Accounts

1. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Critical accounting judgements and estimates

In the application of the company's accounting policies, Directors 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.

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

- Revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note below in relation to income from supporters and lottery income.
- Where a provision for disallowed expenditure under donor funding arrangements is judged to be appropriate.

Going concern

The Directors consider there are no material uncertainties about the company's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Directors confidence that the company remains a going concern for the foreseeable future.

As part of our going concern review we have ensured we have a balanced budget for 2021/22 and a draft forecast for 2022/23. We are also in the process of reviewing longer term financials and identifying strategic investments to improve the resilience of our future income

Income

Income arising from supporters' contributions and donations is accounted for as and when received. The applicable Legacy policy states income is credited when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Trading turnover consists of catalogue sales/commission and Local Group licences. Turnover represents amounts invoiced, excluding VAT.

Notes to the Accounts – cont.

1. Accounting policies – cont.

Grant Policy

In order to improve our local impact Friends of the Earth Limited make grants to our grassroots network, youth fund and BAME funds. These grants are small, c.£500, and follow an application, review and reporting process.

Lottery Income

The net income (ticket values less prize funds less management fees) that are remitted to the company are recognised as lottery income within the income and expenditure account. Friends of the Earth Limited has no ability to alter the price of tickets, determine the prize or reduce the management fees. As such, People’s Postcode Lottery is treated as acting as the principal. The analysis for People’s Postcode Lottery proceeds is shown in note 16.

Furlough Income

Grant income relating to the government’s Coronavirus Job Retention Scheme is recognised under the accrual model in line with staff costs.

Fixed assets

Fixed assets are based on the substance of the asset rather than the value and stated at cost with a de-minimis limit of £100. They are depreciated in equal annual instalments over their estimated useful lives as follows:

Office furniture	10 years
Computer equipment	3 years
Office equipment	4 to 7 years
Computer software	Individual purchases costing over £20,000 are depreciated over 4 years once the software is in use.

Debtors

Short term debtors are measured at the transaction price, less any impairments.

Creditors

Short term creditors are measured at the transaction price.

Operating leases

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

Notes to the Accounts – cont.

1. Accounting policies – cont.

Investments

Friends of the Earth Limited does not hold any equity investments. Any spare cash that we have available is held on deposit in banks that have an effective environmental policy, namely the Co-operative Bank and Triodos Bank.

Financial instruments

The company 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.

2. Supporter contributions

	2021	2020
	£	£
Committed Giving	1,042,058	997,982
Legacies	6,522	25,112
Other supporter contributions	349,737	246,919
	<u>1,398,317</u>	<u>1,270,013</u>

Other supporters' contributions include donations from businesses received in accordance with the organisation's corporate donations policy.

3. Grant income

	2021	2020
	£	£
General grant from Friends of the Earth Charitable Trust	11,313,860	6,881,117
Restricted awards from Friends of the Earth Charitable Trust	586,240	848,236
Furlough Grant Income	397,905	183,976
	<u>12,298,005</u>	<u>7,913,329</u>

Notes to the Accounts – cont.

4. Other income

	2021	2020
	£	£
People's Postcode Lottery (note 16)	748,274	3,488,223
Advertising in supporter magazine	10,670	8,345
Bank interest	-	38
Miscellaneous	65,199	47,717
	824,143	3,544,323

Miscellaneous income includes income from Friends of the Earth International under a staff hosting arrangement.

5. Operating expenditure

	2021	2020
	£	£
The surplus for the year is after charging:		
Staff costs (note 7)	7,077,618	7,257,920
Depreciation of fixed assets	157,824	173,894
Auditors - statutory audit (a)	9,695	10,725
Auditors – other (b)	6,400	5,400
Hire of equipment under operating leases (note 9)	5,304	5,974
Building lease rentals (note 9)	10,357	10,960
(a) Crowe UK LLP were the statutory auditors for 2020-21		
(b) Hays Macintyre were the tax advisers for 2020-21		

6. Employee and staff costs

	2021	2020
	£	£
Salaries	9,192,944	6,323,833
National Insurance	550,643	596,212
Pension	334,031	337,875
	7,077,618	7,257,920

Notes to the Accounts – cont.

6. Employee and staff costs – cont.

The average number of employees during the period was 173 (2019/20: 169), jointly employed with Friends of the Earth Charitable Trust. Friends of the Earth Charitable Trust reimburses Friends of the Earth Limited for the salary costs of those individuals undertaking fundraising activities for the Charitable Trust.

The average number of employees engaged in the company's work during the period, analysed by function was:

	2021	2020
	No's	No's
Programmes	106	108
Fundraising and supporter recruitment	30	27
Support, management and administration	37	34
	<u>173</u>	<u>169</u>

The company operates a Group Personal Pension Plan for the benefit of its employees. This is a defined contribution scheme and is administered separately from the company.

The company matches contributions made by employees up to 7% of their salary and these costs are charged to the income & expenditure account as incurred.

The total emoluments paid to the 7 (2019/20: 11) senior management staff were £489,906 (2019/20: £700,363). These staff included the 2 x Joint Co-Executive Directors, Director of Finance & Operations, Interim Director of Fundraising, Interim Director of Campaigning Impact, Director of Communities and Networks and the Interim Director of Engagement.

7. Directors' remuneration

Friends of the Earth Limited paid £10,770 (2019/20: £10,770) to Frances Butler for her services during the year chairing the Board and line managing the Co-Executive Directors.

8. Operating leases

At the end of the year, Friends of the Earth Limited was committed to making future minimum operating lease payments, which fall due as follows:

Notes to the Accounts – cont.

8. Operating leases – cont.	2021	2020
	£	£
Payments due:		
Within 1 year	36,209	37,392
Within 2 to 5 years	3,462	3,227
Total	39,671	40,619

9. Fixed assets

	Office Furniture	Computer and Office Equipment	Computer Software	Total
Cost	£	£	£	£
Balance at 1 July 2020	120,547	580,217	957,920	1,658,684
Additions		7,955	8,149	16,104
Disposals	(2,127)	(31,559)	-	(33,686)
Balance at 30 June 2021	118,420	556,613	966,069	1,641,102
Depreciation				
Balance at 1 July 2020	109,600	428,404	798,094	1,336,098
Charge in the period	1,938	62,998	92,887	157,823
Disposals	(2,127)	(31,559)	-	(33,686)
Balance at 30 June 2021	109,411	459,843	890,981	1,460,235
Net Book Value				
At 30 June 2021	9,009	96,770	75,088	180,867
At 30 June 2020	10,947	151,813	159,826	322,586

Notes to the Accounts – cont.

10. Debtors

	2021	2020
	£	£
Trade debtors	39,942	26,850
Prepayments and accrued income	200,373	181,892
Other debtors	245,792	469,896
Corporation tax receivable	-	4,120
	486,107	682,758

11. Creditors - amounts falling due within one year

	2021	2020
	£	£
Trade creditors	238,302	118,998
Other taxes and social security	163,043	166,513
Accruals and deferred income	433,331	365,095
Finance lease obligations	32,606	46,276
Interest free loans	5,000	5,000
Other creditors	223,014	336,002
Corporation tax payable	5,000	5,000
	1,100,296	1,042,884

12. Creditors - amounts falling due after more than one year

	2021	2020
	£	£
Finance lease obligation	2,376	34,174
	2,376	34,174

Notes to the Accounts – cont.

13. 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 the end of the financial year, the number of members was 8 (2019/20: 7).

14. Corporation tax

Tax is not payable on grants and donations and therefore a substantial amount of the company income is not taxable. In the year ending 30 June 2021 a trading profit of £748,274 (2019/20 - £3,386,285) was made on which corporation tax was payable after deductions available to the company. These included payments to Friends of the Earth Scotland due under a memorandum of understanding and a qualifying charitable donation made to Friends of the Earth Charitable Trust.

15. People's postcode lottery

	2021	2020
	£	£
Ticket Value	2,040,746	9,513,335
Prize Fund	(816,298)	(3,805,334)
Management Fee	(476,174)	(2,219,778)
	748,274	3,488,223

