

Charity Registration No. SC003442 (Scotland)

Co-operative and Community Benefit Society Number SP2066R(S)

FRIENDS OF THE EARTH (SCOTLAND) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

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FRIENDS OF THE EARTH (SCOTLAND) LIMITED

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

It's been quite a year for Friends of the Earth Scotland. From historic policy wins to a growing membership, 2025 saw us make real, tangible progress on the issues we've been fighting for, sometimes for decades.

The big wins on fossil fuels

Our headline achievement is that the UK Government finally ended new oil and gas licencing, a campaign we have been pushing since 2015. This was a watershed moment, and we were proud to deliver a million-signature petition, alongside other campaigning organisations, to Downing Street calling on the government to act. Fracking also got a ban, and new rules now require oil and gas projects to account for the emissions from burning what they extract. That is three significant wins in one year.

The organisation also kept up the pressure on two specific projects. The proposed Acorn carbon capture pipeline, which we see as a greenwashing exercise by big oil, is now severely delayed after a key funder pulled out. The campaign against a new gas power station at Peterhead is still going strong. We published research showing the plant's emissions would be five times higher than SSE claimed, prompting the Scottish Government to demand a full rerun of the Environmental Impact Assessment. That bought another six months of delay. Thanks to our campaigning, the project is now three years behind schedule and yet to receive approval.

Jobs, justice and a just transition

We have long argued that tackling climate change needs to work for workers too, not just the planet. When INEOS shut down the Grangemouth refinery (Scotland's only oil and gas refinery) with no real plan for affected workers, we stood alongside trade unions pushing for something better. Together we secured a pilot retraining programme for 200 oil and gas workers. In addition, the Scottish Government took ownership of an offshore wind farm for the first time, and the Just Transition Commission was renewed until 2030.

Transport, materials and everyday life

On transport, big wins came through our partnership with Get Glasgow Moving. Buses in Strathclyde are returning to public control, peak rail fares in Scotland have been scrapped, and the government is trialling free public transport. The circular economy campaign, tackling Scotland's enormous material consumption footprint, got its demands written into the Scottish Government's official strategy.

Growing the movement

Behind the policy wins, FoES has been quietly rebuilding its base. Membership grew for three consecutive quarters, with 125 new members joining in 2025, with our overall membership numbers remaining stable after attrition. Monthly member meetings launched with a 100% satisfaction rate, and Young FoES doubled its membership. Scotland's Climate March in November brought 3,000 people onto the streets, the biggest climate march since COP26. Communications was revamped, with more video content and a social media push that saw Instagram growth double its target, plus 1,800 TikTok followers and growing audiences on LinkedIn and Bluesky.

Working towards a thriving, resilient and inclusive organisation

During the second half of 2025, the Board undertook a board and governance reset. The aim of this work is to ensure that our governance structures and rhythms are fit for purpose for an organisation of our size and enable the trustees to fulfill their role, making decisions in a timely and considerate manner. This work is ongoing.

As we shift towards a learning and growing organisation, we have prioritised opportunities for development and growth in our staff team, including growing our comfort level with managing through coaching conversations, reviewing how internal meetings are organised and run, and how decisions are made.

This year we participated in Inclusions Scotland internship scheme, which supports individuals with disabilities find and gain employment.

Looking ahead

For 2026, FoES is shifting focus toward climate solutions and movement building, including campaigns on transport, warm homes and resource justice, as we continue to work for our environment and our planet by focusing on the root causes of the climate crisis.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

CHAIRPERSON'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

To support this work we have welcomed several new members of staff, supported by grant funding from Uplift and Patagonia. Anya Stewart joined us as Digital Content and Engagement Officer to expand and deepen our reach online. Rhys Saunderson joined as the Young Friends of the Earth Network Coordinator, replacing Catrina Randall who became our new Just Transition Campaigner. Kyle Downie joined as a Youth Engagement Intern to increase the reach and impact of the Young Friends of the Earth network. Morag Wells joined us to provide maternity cover for our Communications and Engagement Officer.

In the first quarter of 2026, Rochana Sheward resigned as director, after a period of leave for personal reasons beginning in the final quarter of 2025. During this time, the chair along with the chairs of the sub-committees, has worked closely with the Senior Leadership Team to lead FoES. The board is committed to exploring a range of options to ensure that we have the leadership skills and structure that reflect our organisation's vision, mission and values.

At the heart of everything we do lies a vision: a world where systems of power and resource use are transformed so that all living beings and ecosystems can thrive.

Looking ahead, we are focused on building a stronger grassroots movement for a just transition away from fossil fuels — a movement rooted in the needs of local communities in Scotland and the protection of its environment.

It has been a year of real wins but we know the fight is far from over, and as always, we extend our sincere and genuine thanks to all our members, supporters and funders for their essential support as we work together for environmental justice.

Megan McHaney
Chairperson

Date:

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Structure, governance and management

Structure

Friends of the Earth Scotland is a Society registered under the Co-operative and Community Benefit Societies Act 2014, and a Charity registered with the Office of the Scottish Charity Regulator.

Governing Document

Friends of the Earth Scotland operates under Rules registered under the Co-operative and Community Benefit Societies Act 2014 and with the Office of the Scottish Charity Regulator.

Governance and Management

Friends of the Earth Scotland is governed by a Board of Trustees, who elect from among their members Office Bearers and an Executive Committee. In line with the Rules, the Board may form subcommittees to deal with particular aspects of policy and management. In 2025, three subcommittees existed: Finance, People and Culture, and Risk and Governance.

Pay and remuneration for the society's key management personnel are set by the board. Pay is benchmarked against similar roles in comparable organisations, with annual inflationary increases awarded subject to affordability. The Board has agreed with the trades union to not exceed a ratio of more than 3:1 between the highest paid and lowest paid members of staff.

Friends of the Earth Scotland is a member group of Friends of the Earth International, a democratic and decentralized federation of 70 autonomous organisations with a shared analysis of the root causes of today's most pressing environmental and social issues. We abide by their membership criteria as voted on by member groups at the Biennial General Meeting. Friends of the Earth Scotland additionally supports independent local groups within Scotland along with the Young Friends of the Earth Scotland network. Local groups are independent but agree to abide by the local groups agreement in return for using the Friends of the Earth name. Young Friends of the Earth is led by its members with guidance from the Network Coordinator, employed by Friends of the Earth Scotland.

Recruitment and Appointment of the Board

Board members are recruited from the membership of the society through an open nomination process in advance of each Annual General Meeting. Board members serve a three year term before having to stand for re-election, and may normally serve only two consecutive terms. In line with the Rules of the Society the Board may co-opt members, up to one third of elected board members, on an annual term. The network of Friends of the Earth Scotland local groups and Young Friends of the Earth Scotland are each entitled to put forward one candidate for election to the board. The Society's lead member of staff, along with a representative elected by the Society's staff, are ex-officio, non-voting, non-liable members of the board and Executive. Once elected, the Board shall elect Office Bearers and an Executive Committee. Board members serving during 2025 are listed on page 10 of the accounts.

Board members receive training and induction on joining the Board, covering their governance responsibilities along with the history, values, and current campaigning priorities of the society. In 2025 this included training from staff along with governance sessions with an external consultant.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Objectives and Activities

The objects for which the Society is formed are:

- a. to promote the conservation, restoration and rational use of the environment for the benefit of the community;
- b. to effect the conservation, restoration and rational use of the environment and to support any person, body or organisation in that regard at the discretion of the Board;
- c. to disseminate information among the public concerning such conservation, restoration and rational use of the environment.

In fulfilment of these objectives we campaign for an end to the climate crisis that threatens the destruction of our environment, for transformative solutions to the root causes of environmental problems, and for an economy oriented towards the needs of communities, ecosystems, and the planet and away from environmentally damaging extractive industries. We work to combat the climate crisis and fulfil our objectives by building a movement for a rapid transition away from fossil fuels that puts the need of workers, communities and the planet first. Our 2023-2026 strategy originally outlined two Strategic Aims:

- Win a just transition from fossil fuels
- Be a thriving, resilient and inclusive organisation

At our 2025 AGM, we sharpened our focus on exactly how we as an organisation could contribute to building a movement to support our long-term goal of ending the climate crisis and added a third Strategic Aim:

- Build a movement for system change

In support of our Strategic Aims we set annual priorities with which to measure our progress towards our longer-term goals. In 2025 these included:

- Establish and implement a movement building strategy; organise and mobilise front-line communities in the North East; create new opportunities for young people to get involved with Young Friends of the Earth; and demonstrate widespread public support for climate action including with a large-scale mobilisation event
- Continue to delay the approval of Peterhead 2; build support for a worker-led just transition; and establish our vision of transformative solutions to environmental problems
- Use our communications channels to build pressure by encouraging people to get involved with our campaigns; develop and disseminate our narrative to positively shape attitudes around climate issues; and raise public awareness of our work and our movement.
- Ensure a good working environment and culture; ensure sufficient funding to deliver our strategy; develop our capacity through improved evaluation and planning; and discover new paths to success through fostering a culture of reflection, learning and creativity.

We measure our progress against these aims and objectives by tracking legislative victories, shifts in the positions of political parties, our influence on other NGOs, the actions of oil and gas companies, event participation, membership numbers, newsletter signups, social media engagement, press coverage, and income from donations and members.

We serve members based throughout Scotland and further afield, who assist us through the provision of funding, support and activism. We facilitate the activities of local members groups across the country, which campaign on local and national issues, as well as a wider network of activists.

Achievements and Performance

Winning a just transition from fossil fuels

Our campaigns team consists of our Head of Campaigns, Fossil Fuel Transitions Manager, Research & Development Manager, Circular Economy Campaigner, False Solutions Campaigner, Divestment Campaigner, and Oil & Gas Activism Organiser, with support from our communications team and Policy & Advocacy Manager. Funding from the Energy Transition Fund (£247,573 expended in 2025), Uplift (£83,081), the Climate Change Collaboration (£58,207), Leet Hill (£9,918), and unrestricted funding from the Players of the People's Postcode Lottery and our members and donors made this work possible.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Achievements and Performance (Continued)

In 2025:

- We worked with other organisations to hand in a 1 million-strong petition into 10 Downing St. demanding an end to oil and gas licencing. In November the UK Government made the historic decision to meet this demand. We also saw the UK Government announced legislation to ban fracking, a key demand of our long-running campaign against the harmful drilling practice.
- We provided logistical support, press and publicity for the North Sea Knitters who cycled the 170 mile route of the proposed Acorn “carbon capture” pipeline, as well as highlighting the grave risks posed by the Acorn project with political leaders. The Acorn pipeline has been severely delayed: it was planned to be operational by 2024, and its future was put into further doubt when a key backer withdrew from the project.
- We supported workers and trade unions following the closure of Scotland’s only oil and gas refinery at Grangemouth. Following sustained campaigning, a pilot programme was launched to allow 200 oil and gas workers to retrain into other sectors, and the Just Transition Commission was renewed to 2030.

The Scottish Government has backed a plan to build a new gas power station in Aberdeenshire that would produce millions of tonnes of climate emissions. Friends of the Earth Scotland is leading the campaign to stop it.

- We lobbied MSPs and Government and organised questions to be asked in the Scottish Parliament
- 1,600 people wrote to the Scottish Government through our petition portal
- We held rallies at political party conferences and SSE’s AGM in Perth with 250 attending campaign events over the year
- We engaged members and the public in educational, campaign and film events to support the campaign
- We gathered the support of 30 Scottish organisations on top of our 13,000 strong petition to stop the plant
- We commissioned research which showed that the developers had made false claims about how much the plant would pollute. Our investigation found that the climate impact of the new plant was likely to reach over 1.2 million tonnes of emissions per year as the plant matures. This is five times higher than SSE and Equinor had claimed in their plans submitted to the regulator for approval.
- Following our publication of this research the Scottish Government demanded SSE and Equinor rerun their Environmental Impact Assessment, delaying the project by 6 months. Equinor and SSE had hoped that construction would begin in 2023.
- So far our advocacy has contributed to holding back this damaging project by three years, and every year we delay it we stop 700,000 tonnes of climate emissions from being released.

Scotland’s material consumption accounts for 82% of our entire carbon footprint. We campaigned for a circular economy, where materials are kept in circulation for as long as possible.

- 1,200 people wrote to the Scottish Government to back our demand to implement an effective circular economy strategy.
- We gave evidence to the key committee in the Scottish Parliament and brought allies from Friends of the Earth International to meet with Ministers.
- We collaborated with local waste and re-use groups including Plastic Free Dalgety Bay and Queensferry.
- Thanks to our campaigning, consideration of the international harm caused by Scotland’s excessive consumption of resources is now integral to the Scottish Government’s Circular Economy Strategy, reflecting our demands.
- We continued to speak-up for better transport when speaking to government and the media, led by our friends at *Get Glasgow Moving*.

Building a movement for system change

Our Movement Building team consists of our Head of Movement Building, our North East Organiser, North East Community Engagement Officer, Young Friends of the Earth Network Coordinator, and Young Friends of the Earth Intern, with support from our communications team. They are supported by grants from Patagonia (£12,268 expended in 2025), the Joseph Rowntree Charitable Trust (£58,224), and funding from the Players of the People’s Postcode Lottery, members and donors.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Achievements and Performance (Continued)

In 2025:

- We held 19 local events in Aberdeen and started our Peterhead community film club, attended by 277 people, building support in communities most impacted by the transition away from oil and gas.
- We held a weekend residential training for volunteer organisers and provided logistical and organising support for local actions and events including Fossil Free Pride, strengthening local organising capacity for climate campaigning
- We organised Scotland's Climate March in November. 3,000 people took part, with feedback commending the positive collaborative experience, and received strong press coverage, demonstrating the continuing support for climate action in Scotland.
- We launched a programme of monthly meetings for our members to deepen membership participation and engagement with our campaigns, with over 450 taking part over the year. 100% of attendees said they were helpful or very helpful.
- We trialled members meet-ups in Falkirk and Glasgow to provide members-only social spaces.
- We launched a members; 'Campaign Forum' for our priority campaign against the Peterhead power plant to further build support for this campaign.
- 872 young people engaged in activities with Young Friends of the Earth. Our events programme included two national gatherings, skills trainings, events at the universities of Stirling, Glasgow, Strathclyde, Aberdeen and Dundee, and organised a youth bloc at the Climate March.
- As a result of this outreach membership of Young Friends of the Earth doubled in 2025.
- Our events reached a total of 6271 people in 2025, and we contributed to or attended an additional 30 events organised by other organisations.

Raising awareness of our work

Our Communications & Engagement Manager, Communications & Engagement Officer and Digital Content & Engagement Officer provide support to colleagues across the organisation, partly supported by grant funding for work relevant to those grants, and partly from unrestricted funding from the Players of the People's Postcode Lottery, members and donors (£152,597 expended from unrestricted funds in 2025).

In 2025:

- We radically revamped our social media output with a greater focus on video
- We successfully experimented with new approaches to e-mailings with more discursive and insightful messages increasing open rates
- We implemented a new content management system which has improved efficiency and allowed us to better understand how people engage with our work

Our impact:

- Our work appeared in 308 press stories, down on the previous year and part of a long-term decline in press engagement.
- 10,500 people now subscribe to our email updates with an open rate of 39%, significantly above average for the medium.
- Social media channels have grown in subscriptions, engagement and website views have increased.
- We increased our Instagram following by 1,200, giving us 4,600 followers in total.
- We invested in promoting our new channels on TikTok, now followed by 1,800 people, LinkedIn, where we have nearly 2,000 followers, and BlueSky, which had 2,600 followers at year-end.
- We continue to print and distribute our well-received members' magazine What on Earth with features and insights into our work.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Changes to Personnel

The following staff members joined us in 2025:

Anya Stewart (Digital Content and Engagement Officer)

Morag Wells (Communications and Engagement Officer, Maternity Cover)

Rhys Saunderson (Young Friends of the Earth Coordinator)

Kyle Downie (Youth Engagement Intern)

Rochana Sheward (Director) departed after the end of the year, in March 2026.

Funders

The Board would like to acknowledge the valuable support of the following people and organisations.

Energy Transition Fund

Players of the People's Postcode Lottery

Uplift

Joseph Rowntree Charitable Trust

FoE International

Leet Hill Charitable Trust

Climate Change Collaboration

Patagonia

The 128 Collective

The Estate of the late Edith Scott

The Estate of the late John Cowan

The Estate of the late Colin Lumsdaine

The Estate of the late Mary McDougall

The Estate of the late Frank Christy

The Estate of the late Janet Ollason

Financial review

In the year to 31 December 2025 the Society had a gross income of £1,260,136 (2024 - £1,065,051) and expenditure of £1,298,343 (2024 - £1,117,329). The deficit for the year was £(38,210) (2024: deficit of £52,351). Total funds under management at 31 December 2025 were £678,130 (2024 - £716,340), of which £440,303 was held in unrestricted general funds (2024 - £678,962), £60,000 (2024: £nil) held in designated funds and £177,827 was held in restricted funds (2024: £37,378).

The Society is almost wholly dependent on subscriptions, donations and grants. The Board considers that cash resources are adequate to meet current programmes.

Reserves Policy

The Board seeks to maintain a reserve of six months of operational costs (excluding those directly associated with membership recruitment, fundraising and activities funded from restricted funds). On the basis of these accounts this would require an unrestricted reserve of £360,499 at the end of 2025. The unrestricted reserve (not including designated funds) was well in excess of this at £440,303. We are currently projecting a deficit in unrestricted funds for 2026 and therefore expect to reduce our reserves ahead of achieving a balanced budget in 2027.

The results for the year are set out on page 15 of the Accounts. The Board notes that the level of reserves held at year end was more than sufficient to meet the desired levels.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Principal funding sources

In 2025 the principal funding sources of Friends of the Earth Scotland were grants received from various sources and subscriptions, donations and legacies from individual supporters.

Grants from the Energy Transition Fund and Uplift supported our work campaigning against fossil fuels, including the campaign against new oil and gas licenses, and against the proposed new power station in Peterhead. The 128 Collective and Leet Hill provided grants towards our work campaigning for a just transition for oil and gas workers. Patagonia and the Joseph Rowntree Charitable Trust provided funding for our activism and youth work, growing environmental awareness and activism in communities and with young people. Unrestricted income from the Players of the People's Postcode Lottery, our membership, donors, and legacy givers supported our circular economy work and the development of our transport campaign, along with our communications and lobbying work.

Plans for future periods

Over the last several years we have seen 'inside track' work of lobbying politicians become less effective. We know that to create change and achieve our objectives we need to build a movement, requiring campaigns that not only protect our environment but have real benefits to communities in Scotland. For 2026 we took care to set annual priorities that cut across all of Friends of the Earth Scotland's work as follows:

Transformative Solutions campaigns: launch and run three solution focused campaigns on transport, energy efficiency and resource justice in order to phase out environmentally damaging fossil fuels

Membership participation: grow our membership, including skilling up, deepening participation and improving membership experience in order to strengthen and build a movement for climate action

Progress towards financial sustainability: eliminate our core deficit and progress towards financial sustainability by establishing a whole organisation approach to fundraising and cost control

These priorities are accompanied by additional organisational objectives for the coming year:

- Ensure no new fossil fuel projects go ahead in Scotland
- Use our campaigns to influence public and political narrative towards support for a fast and fair transition, including during election period
- Redesign, set-up and support 5 new FoES affiliated local organising groups, focusing on bringing new people into the movement
- Support a thriving youth movement
- Increase visibility and influence of FoES and our campaign messages, including in communication platforms, movement spaces and strategic local channels
- Grow and deepen solidarity partnerships with local, national and international allies
- Embed anti-oppressive practices and attitudes, both in our internal policies and practices, and in our external campaigns and communications in order to welcome as many people into the climate movement as possible
- Build an organisational culture that includes learning and development, reflection and feedback and encourages creativity, proactivity, ownership and problem solving in each person's work

We will report our progress against these goals in our 2026 Annual Review. Implementation of our priorities was already taking shape at the end of the year as we laid the foundations for future projects:

- Continued organisational planning to build our movement, including strengthening our internal democracy and rejuvenating our support for Friends of the Earth local groups
- Development of a new campaign for 'Better Buses', tackling our dependence on private cars by pushing for public control of Scotland's vital bus services
- We are working with a new coalition pushing for public ownership and investment into green industry
- We completed production of our community theatre work "Play for Torry" with performances planned from early 2026
- New campaigning for warm homes and insulation, to address the environmental and social damage caused by Scotland's leaky houses
- Our current Strategic Plan was intended to conclude in 2026; review and development of a new strategy will take place in 2027.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Risk Management

The society maintains a Risk Register, which is updated by management and reviewed by the Board regularly. This register identifies and evaluates risks that are material to the organisation explaining how they are being mitigated. Conservative assumptions are used when predicting income from legacies and individuals.

The Board considers the main risk facing the society is an ongoing deficit in unrestricted funding for our core activities, highlighting the need to secure greater unrestricted funding for ongoing operational expenses. New grant income is being actively sought, while relations with existing funders are being strengthened in order to secure increased levels of grant income. Efforts to grow and engage membership will also help to grow this income stream.

The changing political environment presents an additional risk to the society, with many political parties watering down their commitment to environmental policies and 'net-zero'. These risks making the society's objectives more difficult to achieve and undoing some of the progress that has been made; in response, the society has re-focused on movement building and campaigns which benefit the environment and have a real positive impact on people's lives. There is also a risk to staff engaged in our work encountering violent or aggressive behaviour and safety protocols have been put in place.

Volunteers

The society currently has no permanent volunteer roles outside the Board, however, we recognise and thank the members and activists who support at one-off events and activities.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Reference and Administrative Information

The Board Members who served during the year were as follows: -

Chairperson	Robin Aitken (Resigned 01.07.25) Megan McHaney (Appointed 01.07.2025)
Secretary	Position vacant
Treasurer	Catherine Lyons (Resigned 01.07.2025) Doris Jamieson (Appointed 01.07.2025)
Directors	Rochana Sheward (Resigned 13.03.2026)
Staff Representative	Position vacant
Key management personnel	Director - Rochana Sheward (Resigned 13.03.2026) Head of Campaigns – Caroline Rance Head of Movement Building – Kate Whitaker Head of Operations – Alison Ritchie
Board Members	Mark Ballard (Resigned 07.06.2025) Chris Stanley Andreas Forbes Kitma Ery McPartland (Resigned 30.07.2025) Bernice Maxton-Lee (Resigned 07.06.2025) Giulia Marzetti (Resigned 07.06.2025) Jacqui MacDonald (Resigned 25.02.2025) Nick Hobson (Resigned 25.02.2025) Harriet Munro Ian Marlee Sophie Ogilvy Taylor (Resigned 07.06.2025) Keith Skene (Resigned 07.06.2025) Megan McHaney Aoife Stephens (Appointed 07.06.2025) Doris Jamieson (Appointed 07.06.2025) Nick Cullen (Appointed 07.06.2025) Anna Brown (Appointed 07.06.2025)
Auditors	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife, KY11 8PB
Bankers	Bank of Scotland Plc 13 Newkirkgate Edinburgh, EH6 6AD
Registered Name	Friends of the Earth (Scotland) Limited
Registered Office	Thorn House 5 Rose Street Edinburgh, EH2 2PR
Co-operative and Community Benefit Society Number	2066R(S)
Charity Registration Number	SC003442

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Trustees responsibilities

The trustees, who are also the directors of Friends of the Earth (Scotland) Limited for the purpose 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 year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In accordance with the company's articles, a resolution proposing the appointment of auditors for 2026 will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

Doris Jamieson
Treasurer
Dated:

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FRIENDS OF THE EARTH (SCOTLAND) LIMITED

Opinion

We have audited the financial statements of Friends of the Earth (Scotland) Limited (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2025 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Co-operative and Community Benefit Societies Act 2014

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FRIENDS OF THE EARTH (SCOTLAND) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees responsibilities, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

We considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals along with complex transactions and manipulating the charity's key performance indicators to meet targets. We discussed these risks with management, designed audit procedures to test a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FRIENDS OF THE EARTH (SCOTLAND) LIMITED

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the charity

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jacqueline Whyte (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

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FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

Current financial year

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
<u>Income from:</u>					
Donations and legacies	2	266,433	1,271	267,704	381,224
Charitable activities	3	300,000	687,344	987,344	682,042
Other trading activities	4	2,812	1,535	4,347	730
Investments	5	741	-	741	1,055
Total income		569,986	690,150	1,260,136	1,065,051
<u>Expenditure on:</u>					
Raising funds	7	25,372	-	25,372	8,012
Charitable activities	8	720,999	551,972	1,272,971	1,109,317
Total resources expended		746,371	551,972	1,298,343	1,117,329
Net (outgoing) / incoming resources before transfers		(176,385)	138,178	(38,207)	(52,278)
Gross transfers between funds		(2,271)	2,271	-	-
Net (expenditure) / income for the year/ Net (outgoing) / incoming resources		(178,656)	140,449	(38,207)	(52,278)
Other gains or losses		(3)	-	(3)	(73)
Net movement in funds		(178,659)	140,449	(38,210)	(52,351)
Reconciliation of funds:					
Fund balances at 1 January 2025		678,962	37,378	716,340	768,691
Fund balances at 31 December 2025		500,303	177,827	678,130	716,340

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The accompanying accounting policies and notes form part of these financial statements.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

Prior financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:				
Donations and legacies	2	377,882	3,342	381,224
Charitable activities	3	310,000	372,042	682,042
Other trading activities	4	730	-	730
Investments	5	1,055	-	1,055
Total income		<u>689,667</u>	<u>375,384</u>	<u>1,065,051</u>
Expenditure on:				
Raising funds	7	8,012	-	8,012
Charitable activities	8	723,628	385,689	1,109,317
Total resources expended		<u>731,640</u>	<u>385,689</u>	<u>1,117,329</u>
Net outgoing resources before transfers		(41,973)	(10,305)	(52,278)
Gross transfers between funds		75	(75)	-
Net expenditure for the year/ Net outgoing resources		<u>(41,898)</u>	<u>(10,380)</u>	<u>(52,278)</u>
Other recognised gains and losses				
Other gains or losses		(73)	-	(73)
Net movement in funds		<u>(41,971)</u>	<u>(10,380)</u>	<u>(52,351)</u>
Fund balances at 1 January 2024		720,933	47,758	768,691
Fund balances at 31 December 2024		<u><u>678,962</u></u>	<u><u>37,378</u></u>	<u><u>716,340</u></u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	14		5,673		6,006
Current assets					
Debtors	15	125,421		141,837	
Cash at bank and in hand		699,617		780,500	
		<u>825,038</u>		<u>922,337</u>	
Creditors: amounts falling due within one year	16	<u>(152,581)</u>		<u>(212,003)</u>	
Net current assets			672,457		710,334
Total assets less current liabilities			<u>678,130</u>		<u>716,340</u>
The funds of the charity					
Share capital	18		2,205		2,208
Restricted income funds	19		177,827		37,378
Unrestricted funds - General			438,098		676,754
Unrestricted funds - Designated			60,000		-
			<u>678,130</u>		<u>716,340</u>

The accompanying accounting policies and notes form part of these financial statements.

The financial statements were approved by the trustees on

2026 and signed on their behalf by:

Megan McHaney
Chairperson

Doris Jamieson
Treasurer

Company registration number SP2066R(S) (Scotland)

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated (absorbed by) / from operations	24		(78,100)		44,560
Investing activities					
Purchase of tangible fixed assets		(3,521)		(4,759)	
Investment income received		741		1,055	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from investing activities			(2,780)		(3,704)
Financing activities					
Proceeds from issue of shares		131		68	
Purchase of own shares		(134)		(141)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(3)		(73)
			<u> </u>		<u> </u>
Net (decrease) / increase in cash and cash equivalents			(80,883)		40,783
Cash and cash equivalents at beginning of year			780,500		739,717
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			699,617		780,500
			<u> </u>		<u> </u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

Friends of the Earth (Scotland) Limited is registered under the Co-operative and Community Benefit Societies Act 2014 (No. 2066R(S)) and is a Charity (No. SC003442) registered in Scotland. They operate from their offices in Thorn House, 5 Rose Street, Edinburgh, EH2 2PR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of not less than 12 months. The trustees are aware of the potential impact on the charity of high inflation and high cost of living and have reviewed their budgets and cashflow based on a drop off from donations and membership for the following financial year. Should this occur the trustees are satisfied that the charity has sufficient cash reserve to cover any shortfall of income over a period of at least 12 months from the date of approval of the financial statements. This is based on expectations that fund-raising events will be limited in the short to medium term and that in general donations to charities will fall due to the financial pressures as a result of high inflation and high cost of living. The trustees consider that taking these factors into account the charity has sufficient reserves to ensure short term liquidity and longer-term financial viability. As such the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds compromise unrestricted funds that have been set aside by the board for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably.

For donations and appeal funds to be recognised the charity will have been notified of the amounts and the settlement date in writing. For donations, income is recognised when entitlement takes place. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

No amount is included in the financial statements for the value of volunteer time in line with the SORP (FRS 102). Further detail is given in the Board's Annual Report.

For legacies, income is recognised when entitlement takes place. Entitlement is defined as the earlier of the charity being notified of an impending distribution or the legacy being received. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Membership subscriptions received by the charity are recognised upon receipt. The substance of the subscription is considered that of a gift, as they do not purchase the right to any services or benefits, and are therefore recognised on the same basis as a donation.

Income from government and other grants, whether 'capital grants or revenue grants', are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income from other trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income includes interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the charity, normally upon notification of the interest paid or payable by the Bank. Amounts regarding the cancellation of shares represents the net movement in the share capital balance for the period, which corresponds with the net movement in members, whom each receive a single share on subscription.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the 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 comprises the costs of the general fundraising activities of the charity, and their associated support costs.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the costs of projects, campaigns and membership activities, and their associated support costs.
- Other expenditure (where relevant) comprises costs not falling into any other heading.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, payroll and governance costs and are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are on a direct basis or as a proportion of time spent.

Irrecoverable VAT

The charity is partially registered for VAT. All VAT that has been recovered is netted off against the relevant expenditure, whilst all irrecoverable VAT being shown as a separate expense heading.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. The costs of minor additions under £1,000 are not capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% Straight Line
IT equipment	25% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Pensions

The charity operates a defined contributions scheme administered by an insurance company as a stakeholder scheme. Contributions are charged to the income and expenditure account as they become payable.

1.13 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1.14 Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	68,528	1,271	69,799	42,482	3,342	45,824
Legacies	45,904	-	45,904	179,239	-	179,239
Membership Subscriptions	152,001	-	152,001	156,161	-	156,161
	<u>266,433</u>	<u>1,271</u>	<u>267,704</u>	<u>377,882</u>	<u>3,342</u>	<u>381,224</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

3 Income from charitable activities

	2025 £	2024 £
Grants	987,344	682,042
Analysis by fund		
Unrestricted funds	300,000	310,000
Restricted funds	687,344	372,042
	987,344	682,042

4 Income from other trading activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Other fundraising income	-	1,250	1,250	225	-	225
Membership subscriptions and sponsorships	150	-	150	150	-	150
Income from events, raffle tickets, donations and groups	2,662	285	2,947	355	-	355
	2,812	1,535	4,347	730	-	730

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	741	1,055

6 Donated goods, facilities or services

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7 Analysis of expenditure on raising funds

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
<u>Fundraising and publicity</u>		
Membership schemes and social lotteries	25,372	8,012
	<u>25,372</u>	<u>8,012</u>

8 Expenditure on charitable activities

	2025	2024
	£	£
Direct costs		
Staff costs	832,130	686,620
Depreciation and impairment	3,854	4,642
Design, printing & stationery	13,362	19,533
Affiliations & subscriptions	19,871	18,339
Telephone, website & internet costs	6,561	11,363
VAT recoverable	26,312	23,928
Professional fees & freelance costs	63,158	101,424
Campaigning & events	53,737	44,368
Insurance	2,683	1,624
Travelling expenses	7,904	7,579
I.T & strategic review	8,401	7,341
Equipment	2,662	4,581
Recruitment & training	11,855	13,371
Postage & couriers	829	1,445
Volunteer expenses	538	319
	<u>1,053,857</u>	<u>946,477</u>
Share of support and governance costs (see note 9)		
Support	199,690	149,362
Governance	19,424	13,478
	<u>1,272,971</u>	<u>1,109,317</u>
Analysis by fund		
Unrestricted funds	720,999	723,628
Restricted funds	551,972	385,689
	<u>1,272,971</u>	<u>1,109,317</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9 Support costs

Year Ended 31 December 2025

	Support costs £	Governance costs £	2025 £	Basis of allocation
Staff costs	126,380	-	126,380	Time spent
Property costs	65,947	-	65,947	Direct
Insurance	7,363	-	7,363	Direct
Audit fees	-	7,600	7,600	Governance
Board & AGM expenses	-	9,870	9,870	Governance
Bank charges	-	1,954	1,954	Governance
	<u>199,690</u>	<u>19,424</u>	<u>219,114</u>	

Year Ended 31 December 2024

	Support costs £	Governance costs £	2024 £	Basis of allocation
Staff costs	81,962	-	81,962	Time spent
Property costs	61,780	-	61,780	Direct
Insurance	5,620	-	5,620	Direct
Audit fees	-	8,050	8,050	Governance
Board & AGM expenses	-	5,161	5,161	Governance
Bank charges	-	267	267	Governance
	<u>149,362</u>	<u>13,478</u>	<u>162,840</u>	

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between its key charitable activities undertaken in the year. Refer to the table above for the basis for apportionment and the analysis of support and governance costs.

Governance costs includes payments to the auditors of £7,600 (2024- £8,050) for audit fees.

10 Net movement in funds

	2025 £	2024 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	7,600	8,050
Depreciation of owned tangible fixed assets	3,854	4,642
	<u>11,454</u>	<u>12,692</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
	24	20
	<hr/>	<hr/>
Employment costs	2025	2024
	£	£
Wages and salaries	824,531	686,165
Social security costs	84,433	50,372
Other pension costs	49,546	32,045
	<hr/>	<hr/>
	958,510	768,582
	<hr/>	<hr/>

The total amounts of employee benefits received by Key Management Personnel of the charity is £242,687 (2024 - £200,914). The charity considers its Key Management Personnel comprise the Director, Head of Campaigns, Head of Movement Building and the Head of Operations.

A reimbursement of a membership fee totalling £64 (2024 : £687) was made to one board members in the year. In the current year there was one member of staff whose annual remuneration was in the £80,000 - £90,000 band. There were no employees whose annual remuneration was more than £60,000 in the prior year.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

14 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2025	59,283
Additions	3,521
	<hr/>
At 31 December 2025	62,804
	<hr/>
Depreciation and impairment	
At 1 January 2025	53,277
Depreciation charged in the year	3,854
	<hr/>
At 31 December 2025	57,131
	<hr/>
Carrying amount	
At 31 December 2025	5,673
	<hr/> <hr/>
At 31 December 2024	6,006
	<hr/> <hr/>

15 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	-	9,775
Other debtors	3,349	1,819
Prepayments and accrued income	122,072	130,243
	<hr/>	<hr/>
	125,421	141,837
	<hr/> <hr/>	<hr/> <hr/>

16 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		22,438	37,226
Deferred income	17	82,717	138,567
Trade creditors		13,763	11,732
Other creditors		7,852	6,927
Accruals		25,811	17,551
		<hr/>	<hr/>
		152,581	212,003
		<hr/> <hr/>	<hr/> <hr/>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

17	Deferred income	2025	2024
		£	£
	Arising from Deferred grants received	82,717	138,567
		<u> </u>	<u> </u>

Deferred income in the prior year relates to the grants received from Social Change Nest (SCN), Energy Transition Fund, The Climate Change Collaboration, and Leet Hill Charitable Trust. In the current year it relates to Energy Transition Fund and The Climate Change Collaboration.

18	Share capital	2025	2024
		£	£
	Ordinary share capital		
	Authorised		
	Shares in issue at 1st January 2025	2,208	2,281
	Shares issued during the year	131	68
	Shares cancelled on members leaving	(134)	(141)
		<u> </u>	<u> </u>
	Shares in issue at 31 December 2025	2,205	2,208
		<u> </u>	<u> </u>

Each member of the charity holds one share of £1 in the charity. These shares carry no rights to dividends or distributions on a winding up. When a shareholder ceases to be a member, that person's shares are cancelled and the amount paid thereon becomes the property of the charity. Each member has the right to vote at members' meetings.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				
	Balance at 1 January 2025	Incoming resources	Resources expended	Transfers	Balance at 31 December 2025
Current Year	£	£	£	£	£
YFOES (Solberga)	(2,258)	-	(13)	2,271	-
YFOES Appeal	1,740	285	(2,025)	-	-
Just Transition (Leet Hill)	(3,788)	15,000	(9,918)	-	1,294
Sustainable Finance (JRCT2)	22,041	58,224	(58,224)	-	22,041
Sustainable Finance (CCC)	14,509	46,372	(58,207)	-	2,674
Sustainable Finance (Appeal)	451	-	-	-	451
Food Sovereignty/Climate Justice (FoEI)	3,711	51,564	(52,913)	-	2,362
Circular Economy (Appeal)	5,908	435	(5,908)	-	435
Just Transition (Appeal)	1,307	105	(1,317)	-	95
Just and Green Recover (Patagonia)	115	-	-	-	115
YFoES (Patagonia)	-	23,212	(12,268)	-	10,944
Just Transition (128 Collective)	-	86,232	(2,802)	-	83,430
Oil & Gas (ETF and Uplift)	(6,358)	-	-	6,358	-
Oil & Gas (ETF)	-	273,192	(247,573)	(2,421)	23,198
Oil and Gas (Uplift)	-	119,628	(83,081)	(5,539)	31,008
Oil & Gas (Appeal)	-	1,981	(3,803)	1,602	(220)
SCCS – salary funding	-	13,920	(13,920)	-	-
	<u>37,378</u>	<u>690,150</u>	<u>(551,972)</u>	<u>2,271</u>	<u>177,827</u>
	Balance at 1 January 2024	Incoming resources	Resources expended	Transfers	Balance at 31 December 2024
	£	£	£	£	£
Prior Year					
YFOES (Solberga)	(1,373)	-	(885)	-	(2,258)
YFOES Appeal	-	1,740	-	-	1,740
COP Glasgow	190	-	-	(190)	-
Just Transition (Leet Hill)	-	15,000	(18,788)	-	(3,788)
Air Pollution (FIT)	(22)	-	(52)	74	-
Sustainable Finance (JRCT)	(41)	-	-	41	-
Sustainable Finance (JRCT2)	22,319	58,224	(58,502)	-	22,041
Sustainable Finance (CCC)	9,389	32,440	(27,320)	-	14,509
Sustainable Finance (Appeal)	451	-	-	-	451
Food Sovereignty/Climate Justice (FoEI)	(5,788)	71,078	(61,579)	-	3,711
Circular Economy (Appeal)	5,908	-	-	-	5,908
Just Transition (Appeal)	1,467	-	(160)	-	1,307
Just and Green Recover (Patagonia)	8,771	-	(8,656)	-	115
Oil & Gas (ETF and Uplift)	6,487	196,902	(209,747)	-	(6,358)
	<u>47,758</u>	<u>375,384</u>	<u>(385,689)</u>	<u>(75)</u>	<u>37,378</u>

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19 Restricted funds

(Continued)

Where figures are shown in brackets as balances at the start or end of the year, it indicates that expenditure was made in advance of agreed grants, or in anticipation of grants being paid.

The relevant funders are content with the transfer between funds.

All restricted funds are principally funded by grants receivable, and comprise the following:

YFoES (Solberga)

Grant from Solberga for our work to strengthen the climate youth movement in Scotland.

YFoES (Appeal)

Donations supporting our work to strengthen the climate youth movement in Scotland.

COP Glasgow

Support for our activism work for COP26 in Glasgow.

Just Transition (Leet Hill)

Grant from Leet Hill Charitable Trust for our Just Transition Campaign

Air Pollution (FIT)

Supporting our traffic reduction and transport campaign.

Sustainable Finance (JRCT)

Grant from Joseph Rowntree Charitable Trust for our work on climate-friendly finance.

Sustainable Finance (JRCT2)

Grant from Joseph Rowntree Charitable Trust for our work on fossil fuel divestment from public life. This was changed to our movement building, international solidarity and youth work in the current year.

Sustainable Finance (CCC)

Grant from the Ashden Trust, through the Climate Change Collaboration, for our work on fossil fuel divestment.

Sustainable Finance (Appeal)

Donations supporting our work on fossil fuel divestment.

Food Sovereignty/Climate Justice (FoEI)

Grant from Friends of the Earth International (FoEI) to cover costs of hosting the coordinator of the FoEI Food Sovereignty program (until August 2024); and the costs of hosting the coordinator of the FoEI Climate Justice Programme (from August 2024).

Circular Economy (Appeal)

Donations supporting our work on resource justice and the circular economy.

Just Transition (Appeal)

Donations supporting our work on a just transition for oil and gas workers.

Just Transition (128 Collective)

Grant from the 128 Collective supporting our work on a just transition away from fossil fuels.

Just and Green Recover (Patagonia)

Grant from Patagonia supporting our activism work for a just transition.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19 Restricted funds (Continued)

YFoES (Patagonia)

Grant from Patagonia supporting our work to strengthen the climate youth movement in Scotland.

Oil & Gas (ETF)

Grant from the Energy Transition Fund supporting our work campaigning against oil and gas in Scotland. In the prior year this fund was combined with the Oil and Gas Uplift and Appeal (below). In the current year these are disclosed separately and transfers made accordingly.

Oil & Gas (Uplift)

Grant from Uplift (SCN) supporting our work campaigning against oil and gas in Scotland.

Oil & Gas (Appeal)

Donations supporting our work campaigning against oil and gas in Scotland.

SCCS – salary funding

Funding to cover hosting a member of staff on behalf of SCCS.

20 Unrestricted funds

The income funds of the charity include the following unrestricted funds :

Current year:	At 1 January 2025	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2025
	£	£	£	£	£	£
Designated Fund	-	-	-	60,000	-	60,000
General Fund	676,754	569,986	(746,371)	(62,271)	-	438,098
Total Unrestricted Funds	<u>676,754</u>	<u>569,986</u>	<u>(746,371)</u>	<u>(2,271)</u>	<u>-</u>	<u>498,098</u>
Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
General Fund	718,652	689,667	(731,640)	75	-	676,754
	<u>718,652</u>	<u>689,667</u>	<u>(731,640)</u>	<u>75</u>	<u>-</u>	<u>676,754</u>

The General Fund relates to "Free reserves" after allowing for all designated funds.

The Designated Fund was set up in the year to support the development of new transformative solutions campaigns centred on transport and resource justice.

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21 Analysis of net assets between funds

	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total 2025 £
Fund balances at 31 December 2025 are represented by:				
Tangible assets	4,750	-	923	5,673
Current assets/(liabilities)	435,553	60,000	176,904	672,457
	<u>440,303</u>	<u>60,000</u>	<u>177,827</u>	<u>678,130</u>

	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 December 2024 are represented by:				
Tangible assets	5,278	-	728	6,006
Current assets/(liabilities)	673,684	-	36,650	710,334
	<u>678,962</u>	<u>-</u>	<u>37,378</u>	<u>716,340</u>

22 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	29,482	57,920
Between two and five years	21,884	49,446
	<u>51,366</u>	<u>107,366</u>

23 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year, the interim CEO provided consultancy services amounting to £nil (2024 - £38,700).

FRIENDS OF THE EARTH (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

24 Cash generated from operations	2025	2024
	£	£
Surplus / (deficit) for the year	(38,207)	(52,278)
Adjustments for:		
Investment income recognised in statement of financial activities	(741)	(1,055)
Depreciation and impairment of tangible fixed assets	3,854	4,642
Movements in working capital:		
(Increase)/decrease in debtors	16,416	(39,972)
(Decrease)/increase in creditors	(3,572)	4,284
(Decrease)/increase in deferred income	(55,850)	128,939
	<hr/>	<hr/>
Cash generated from/(absorbed by) operations	(78,100)	44,560
	<hr/> <hr/>	<hr/> <hr/>

25 Pension Costs

FOES operates a defined contribution scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the organisation and amounted to £49,546 (2024 - £38,521).

26 Contingent Assets

Close to the year end, the society was notified of a legacy which had not yet been granted Confirmation (Scottish equivalent of Probate). The amount of the legacy had not yet been notified therefore this is disclosed as a contingent asset. Post year end, the society received an interim payment of £150,000 in relation to this legacy.