

Trustees' Report 2009



We are an organisation of activist lawyers committed to securing a healthy planet.

We work in Europe and beyond, bringing together law, science and policy to create pragmatic solutions to key environmental challenges.

Our unique ability to provide cross-border support for environmental causes in all areas of law has made us indispensable to anyone with a green agenda – from individuals to governments.

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Achievements in 2009

We launched the CleanAir campaign to wipe out air pollution in London.

ClientEarth completed a briefing used by EU NGOs and governments to understand how the Lisbon Treaty will affect environmental law.

We argued cases against the UK and EU in Geneva before the Aarhus Convention Compliance Committee demanding increased access to justice before the UK and EU courts for citizens in environmental cases.

We created the Climate and Forests Programme to help end unnecessary deforestation and the Health and Environment Programme to stop people suffering from the ill effects of pollution.

ClientEarth has created an alternative fisheries management system - the Fishing Credits System - to reform the Common Fisheries Policy in 2012.

We worked with Australian politicians and NGOs to help draft climate legislation.

We made the case that the UK government's plan to allow building of coal power stations could not go forward without proper assessment. The government introduced a policy for a minimum level of carbon capture and storage (CCS) to be demonstrated before building.

ClientEarth CEO James Thornton was selected by New Statesman as "one of the ten people who could change the world".

We were asked by Republic of Ireland's Minister for Environment to help draft Ireland's Climate Change Bill 2010.

In addition, we almost doubled our funding.



“I can’t think of a better leveraged grant than one that uses the legal system to bring about long term systemic change on behalf of millions of individuals, animals, lands and the marine environment of our fragile earth.”

Message from the Chair

It is with great pride that the Board presents the 2009 Annual Report for ClientEarth.

Our capacity to provide public interest legal services to non-government organizations, sovereign governments, as well as fulfilling our core mission of representation on behalf of societal needs at large has grown dramatically. As a Founder and funder through our family foundation, I can’t think of a better leveraged grant than one that uses the legal system to bring about long term systemic change on behalf of millions of individuals, animals, lands and the marine environment of our fragile earth.

Important to this task is the leadership of our Board members and Patrons, who have diligently attended meetings, opened their individual networks to enable our growth, shared their legal expertise, partnered as funders, and shared their insights, business expertise and values in helping to shape the organization’s future.

Without question, the European funding community has embraced the work of ClientEarth and recognized the strategic value in having legal expertise available to the environmental community and their funding networks. We are grateful for the willingness of our funders to take risk, think outside the box, and invest in the environmental future of the 27 nations of the European Union. It is their encouragement that gives ClientEarth and its exceptionally talented staff the ability to have great impact already in the public policy arena through the important legal and legislative lenses.

This is just the beginning! Stay tuned.

Winsome McIntosh
Chair of the Board of Trustees



Message from the CEO

It is a real pleasure to publish our report this year. ClientEarth has almost doubled in size and income for the third year in a row, despite the recession. The expertise of our staff has grown in breadth and depth. We have argued cases of great importance in international forums and national courts.

Our programmes have grown. In our marine programme, we teamed with the Marine Conservation Society to devise an alternative to the way fisheries are managed in the EU. The current Common Fisheries Policy is the worst fisheries regime in the developed world, and over 80% of EU fisheries are in bad shape as a result. Our positive solution to the problem starts with the science and creates a simple regime which would let the fish stocks recover and fishermen prosper. Initial reactions are positive, and 2010 will see a big push to take the system to governments and stakeholders across Europe.

We created a Climate and Forests Programme this year to complement the work of our Climate and Energy Programme. The new work focuses on protecting tropical rainforest both for their value as carbon sinks and for their biodiversity. We work with citizens' groups from around the world who share our view that one can only protect the forests by protecting the rights of forest peoples. We aim to make sure the governance structures are built to protect their rights while moneys from the developed world begin to flow to developing countries to let their forests stand. How the money flows will make all the difference between healthy forest and indigenous communities, or money siphoned off and forests laid waste.

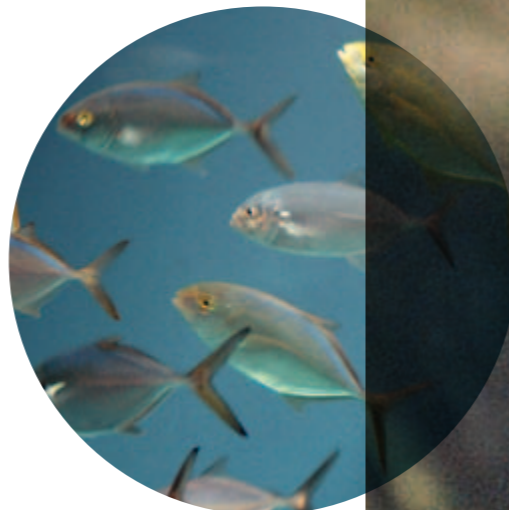
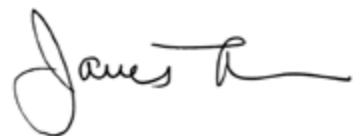
These programmes illustrate our developing work style—go to the most serious threats to a healthy planet, bring science and law to bear, and devise positive practical solutions that are politically workable.

We have been successful in recruiting excellent staff. Many were trained in leading international law firms, others in government. The breadth of their experience is suggested by the fact that they represent eight different legal systems. This allows us to track emerging solutions around the globe.

I am pleased at the way our relationships with lawmakers are evolving too. We are beginning to be asked by national and EU lawmakers to advise on a wide range of issues and to craft laws that give citizens greater protection for health and environment.

The coming year will be even busier and we project our growth will continue. We are grateful to all our donors, whose visionary support for our work is what enables it to happen.

James Thornton
Chief Executive Officer



“go to the most serious threats to a healthy planet, bring science and law to bear, and devise positive practical solutions that are politically workable.”

“Let’s not bother with tales of beautiful and wonderful and extraordinary creatures this week. Let’s talk about lawyers instead. But at least they are beautiful and wonderful and extraordinary lawyers: and they are working on behalf of the aforementioned beautiful and wonderful and extraordinary creatures. So they are worth celebrating.”

Columnist Simon Barnes on ClientEarth, The Times, 26 September 2009

An overview of ClientEarth in 2009

This year the necessity for our work has been increasingly recognised and while many organisations were badly affected by the unprecedented global recession, ClientEarth’s funding almost doubled. Annual income, which was given entirely in the form of donations from private individuals and grants from foundations, rose from £483,092 at the end of 2008 to £884,677 at the end of 2009. A rise in a time of economic uncertainty not only demonstrates the growing respect and recognition that ClientEarth is building, but highlights a strong appreciation of the challenges we face.

The increased support received was immediately put into operation recruiting new people, creating new programmes and helping more causes. ClientEarth’s staff nearly doubled with our offices in London and Brussels expanding alongside the creation of an office in Paris. Those employed included four new lawyers to bolster existing programmes and explore new opportunities, an administrative assistant to deal with the increased demands of the organisation, and ClientEarth’s first communications officer to raise awareness about all of our causes. A further four lawyers were set to join us very early in 2010.

The increased capacity allowed us to set up two new programmes. The formation of our Climate and Forests Programme meant we were able to begin working to broadly address deforestation and create stricter legislation to stop the illegal timber trade. The Health and Environment Programme immediately began work on the CleanAir Campaign to improve London’s air quality. In addition, the Biodiversity Programme advanced its work to secure long term viability of fish stocks with a proposal for a revolutionary new system of fisheries management. In the Corporate Transparency Programme, we completed work on a book, *Environmental and social transparency under the Companies Act 2006: Digging Deeper*, which is due to be published in 2010, and our Climate and Energy Programme has been asked to assist in the drafting of the Republic of Ireland’s Climate Change Bill 2010.

Like the environment we strive to protect, the nature of our programmes is diverse, yet coherent. Branching into new areas has significantly helped existing programmes and vice versa. For example, our campaigns to secure access to justice for citizens and NGOs to fight environmental cases in the UK and at EU levels; and our work on the Lisbon Treaty underpins all of our work when we are challenging or seeking to change the law.



ClientEarth launches the CleanAir for London Campaign

Programme areas

Biodiversity
Climate and Energy
Climate and Forests
Access to Justice
Corporate Transparency
EU Environment
Health and the Environment



“Protest is a good thing, but the law is a powerful tool to use alongside it.”

James Thornton, one of the ten people who could change the world,
New Statesman, 12 January 2009

Biodiversity

This year the Biodiversity Programme benefited from a generous grant from the Oak Foundation.

This allowed Programme leader Sandy Luk to develop our marine conservation work to secure the long term viability of Europe's fish stocks.

This year our major effort was a collaboration with the Marine Conservation Society to submit a response to the European Commission's Green Paper on reform of the Common Fisheries Policy.

We proposed an alternative fisheries management system called the Fishing Credits System or FCS. The FCS proposal is based on a new type of mixed catch quota. Each species is assigned weighted credits based on the vulnerability of particular fish stocks and their place within the ecosystem. Credits are allocated to fishers within an ecosystem region and fishers are given freedom to choose what they catch, and in what quantity, provided they don't exceed their total credits allowance.

It has been met with a hugely positive response from fishermen, retailers, public bodies and other green groups and we are hoping that there will be trials of the system in 2011.





Climate and Energy

ClientEarth's original programme area firmly cemented itself as legal strategists and advisors to legislators and environmental NGOs in 2009.

A meeting between CEO James Thornton and Ireland's Minister for the Environment resulted in ClientEarth being asked to advise on the drafting of the Irish Climate Change Bill 2010. The Government was looking for expertise in climate law, creativity and knowledge of best practice, ClientEarth was a perfect fit, and the bill is expected to set a new standard for climate law in the EU.

In November we published *The UK Climate Change Act 2008 – Lessons for national climate laws*, an independent review for use in a series of seminars to explain the Act to legislators, policy makers and civil society. This work contributed to Friends of the Earth Europe's Big Ask Campaign to secure climate legislation in a number of countries within the European Union.

ClientEarth's Climate and Energy Programme also enjoyed its first full year of operations in Brussels during which our legal advice has demonstrated to the European Parliament that they have a legal basis for revising the Energy Performance of Buildings Directive to include financial incentives for energy efficiency in buildings.

Continuing the 'no new coal' work we began in 2008, we challenged the UK government's plan to allow new coal power stations to be built without capturing their CO₂ emissions. Early in the year ClientEarth successfully made the case that the plan could not go forward without a proper strategic environmental assessment (SEA). The government changed direction and introduced a policy to require a minimum level of carbon capture and storage (CCS) to be demonstrated from the outset. Following this the government released extra funding for CCS to be developed and installed in full by 2018-2020.

Our work to ensure the proliferation of CCS in power stations has also included analysis of the legal arguments companies use to avoid knowledge sharing. The EU's CCS Demonstration Programme adopted in April presented a new mechanism for large scale demonstrations of the technology to help improvement. We have been working with public interest representatives E3G, Bellona and ZEP (Zero Emission Fossil Fuel Power) and providing legal input on how knowledge sharing arrangements should be defined so the programme reflects public, not industry, interests.

We have also been advising key NGOs including CAN and WWF on the EU Emissions Trading Scheme (ETS). This has included advice on how to access information and improve advocacy and interpretation of methodology rules for costs affecting those exposed to carbon leakage.

Climate and Forests

2009 saw the recruitment of both Janet Meissner Pritchard, who developed ClientEarth's Climate and Forests Programme, and Tim Grabel, who founded our Paris office. Grants from the Ecology Trust, the Kenneth Miller Trust, and the Packard Foundation supported this work.

Global demand for illegally harvested timber, as well as increasing demand for biofuels, threaten forest biodiversity and contribute significant carbon emissions to climate change. Accordingly, priorities include strengthening EU laws regulating illegal timber, biofuels, and other commodities driving deforestation.

Beginning in September 2009, the Climate and Forests Programme distributed a set of briefings explaining how the EU could effectively ban illegal timber from the EU marketplace. Over the following months we came to be recognized as the leading legal authority on controversial issues in the pending Illegal Timber Regulation by key members of the European Parliament, Member States, and Commission staff, as well as concerned NGOs.

The programme's other priority is ensuring international financing mechanisms to prevent deforestation also secure environmental justice for forest communities.





Access to Justice

Helping citizens gain access to justice is integral to ClientEarth's mission. ClientEarth's Access to Justice Programme underpins work we do in every department. In 2009 this work was helped by a generous grant from the Sigrid Rausing Trust.

The cost of bringing environmental cases to court in the UK makes the pursuit of justice virtually impossible to most individuals and charities. Not only are these costs damaging to environmental causes, they are also illegal under the Aarhus Convention – which is signed by the UK and the EU – and unless it is enforced the UK's citizens are unable to effectively use the courts to defend environmental interests.

This year we continued to pursue complaints against the UK and the EU that we brought before the Aarhus Convention Compliance Committee in late 2008. Our complaint against the EU was supported by 13 other key NGOs who joined us as signatories. These cases were argued in Geneva during September. We expect to hear the rulings of the Committee later in 2010 and hope that the Committee will recommend the UK bring access to justice within the means of its citizens.

The European Investment Bank (EIB) is hardly known throughout Europe, yet it makes more loans year on year than the World Bank. Despite good intentions the bank's loans often have a negative social and environmental impact of which awareness is low. ClientEarth has collaborated with Bankwatch to help the EIB to be more transparent and apply EU law more effectively.

During the year we contributed to consultations surrounding the EIB's public disclosure and complaints mechanism. ClientEarth's suggestions were adopted making it easier for all NGOs to hold the bank to account. We have also given the EIB a model transparency policy to help it improve transparency.

“Until the UK makes the legal system accessible and fair from a financial perspective, citizens and many organisations are in effect denied their right to raise legitimate environmental concerns in court.”

James Thornton, Client Earth CEO, *The Ecologist*, 23 September 2009

Corporate Transparency

The Companies Act 2006 means UK companies are required to report annually on environmental and social issues linked to their operations. However, the law lacks detail and the structures intended to ensure compliance are weak. Companies are not moved to report all the facts about their impact, nor to provide a balanced view of their approach to environmental impact.

ClientEarth's groundbreaking work on company transparency, and specifically the Companies Act 2006, is near completion and will be published next year in the book *Environmental and social transparency under the Companies Act 2006: Digging Deeper*. This will be deposited with university libraries as well as being distributed to lawmakers, regulators, investors, the media and academics as well as being available on our website. The book will precede a review of the Act.

We have also been collating evidence for our first complaint to the regulator responsible for making sure companies follow the law, the Financial Reporting Review Panel (FRRP). This work will be challenging the annual reports of major companies in the extractive industries, which do little to reflect the impacts of companies' projects around the world, and in some cases materially misinform shareholders and others. This work aims to move the FRRP to require companies to disclose more information and to clean up their acts.

“At their core, environmental problems are essentially problems of understanding.”

James Thornton, ClientEarth CEO, *The Ecologist*, 7 July 2009





EU Environment

ClientEarth's work on EU environmental law reaches into almost every programme area that we operate.

This year, the implementation of the Lisbon Treaty, designed to simplify the institutional structure and the decision making process in order to boost efficiency, coherence and democratic legitimacy, will impact all law making in the EU and environmental legislation is no exception.

Fulfilling our role as legal experts for the environmental movement in Europe, ClientEarth produced *The Impact of the Lisbon Treaty – an environmental perspective*. This 51 page briefing provides analysis for NGOs, environmental ministries and other green lawyers, on how the changes the Lisbon Treaty brings will impact the EU policies on environment, energy, marine and fisheries. It has already been widely circulated in government and green groups and is fast becoming the blueprint to approach EU legislation within the green movement.

Health and the Environment

This year, the Health and Environment Programme began work on the CleanAir campaign to improve London's air quality. It is estimated that at least 4,300 Londoners die prematurely each year because of London's poor air pollution, however London's government has not met its legal obligations to reduce dangerous airborne particles (PM10) for the four years this law has been in place.

ClientEarth sent a series of submissions to the Commission explaining why London should not be allowed to extend the amount of time it doesn't comply with these laws. We have also put in Freedom of Information requests to the Greater London Authority asking to see the evidence that supports the Mayor's flawed air quality strategy while also taking part in public consultations to help the Mayor improve the strategy.

In the Autumn we made a submission to the Environmental Audit Committee's air quality inquiry which looked at the legal and institutional framework governing air quality in the UK. This work highlighted how complex the UK's system is and the lack of binding legal duties held by institutions, while making a number of proposals for reform of the system.

We also responded to a consultation on the EU's draft Air Quality Standards Regulations which identified inaccuracies and suggested alternative wording. A number of our proposals have been adopted by the UK's Department for Environment, Food and Rural Affairs (Defra) and are expected to be included in revised draft Regulations to go before the UK's Parliament.

“The government needs to put pressure on the mayor to produce an air quality strategy that will be truly effective in protecting Londoners' health.”

Alan Andrews, ClientEarth Health and Environment Lawyer, The Guardian, 16 December 2009



2009 Financial review

During the year ended 31 December 2009 the charity received income of £884,677 (31 December 2008 £483,092).

At the 31 December 2009 the charity had net assets of £390,685 (31 December 2008 £259,753).

At the balance sheet date unrestricted funds were £132,569 (31 December 2008 £104,004). Of the unrestricted assets at the balance sheet date £99,471 (31 December 2008 £96,435) was made up of unrestricted cash.

At the balance sheet date restricted fund for European Climate Foundation - 2009 was in deficit. This was due to funds being expended before the income arose. The income was received post year end.

Reserve policy

It is the aim of the charity to maintain sufficient available funds to enable it to operate for a period of twelve months from any date of review, which was achieved during the period to 31 December 2009.

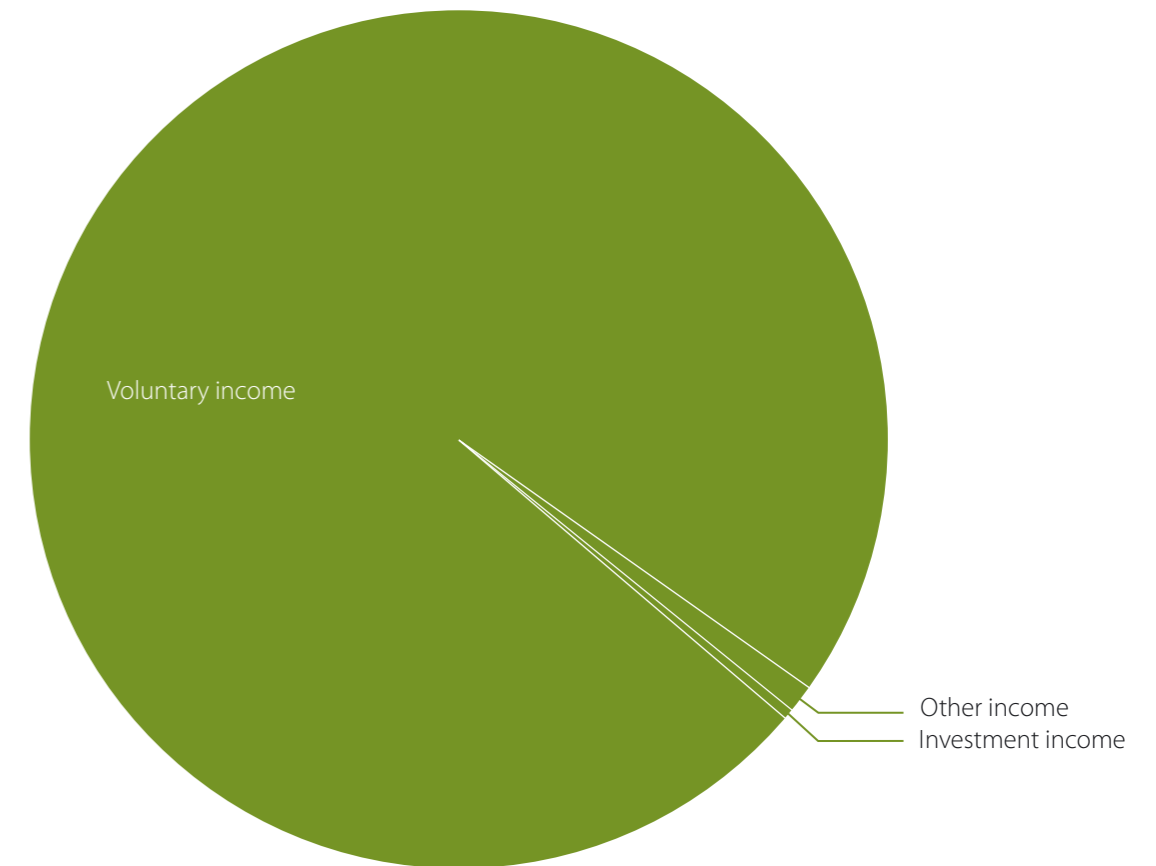
Risk

The trustees are engaged in examining the major strategic, business, and operational risks which the organisation faces and confirm that systems have been established to enable necessary steps to be taken to minimise these risks.

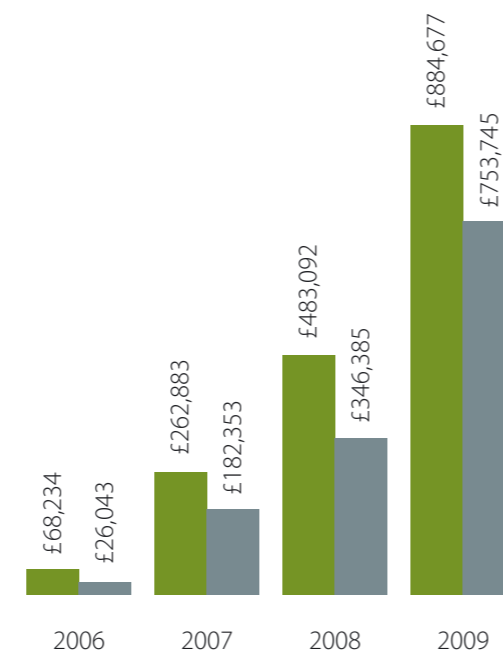
Income & expenditure 2009

Voluntary income	£879,146
Other income	£5,423
Investment income	£108
Direct charitable activities	£488,773
Staff costs	£120,379
Other costs	£86,566
Premises costs	£32,255
Fundraising	£12,620
Depreciation	£9,212
Governance costs	£3,940

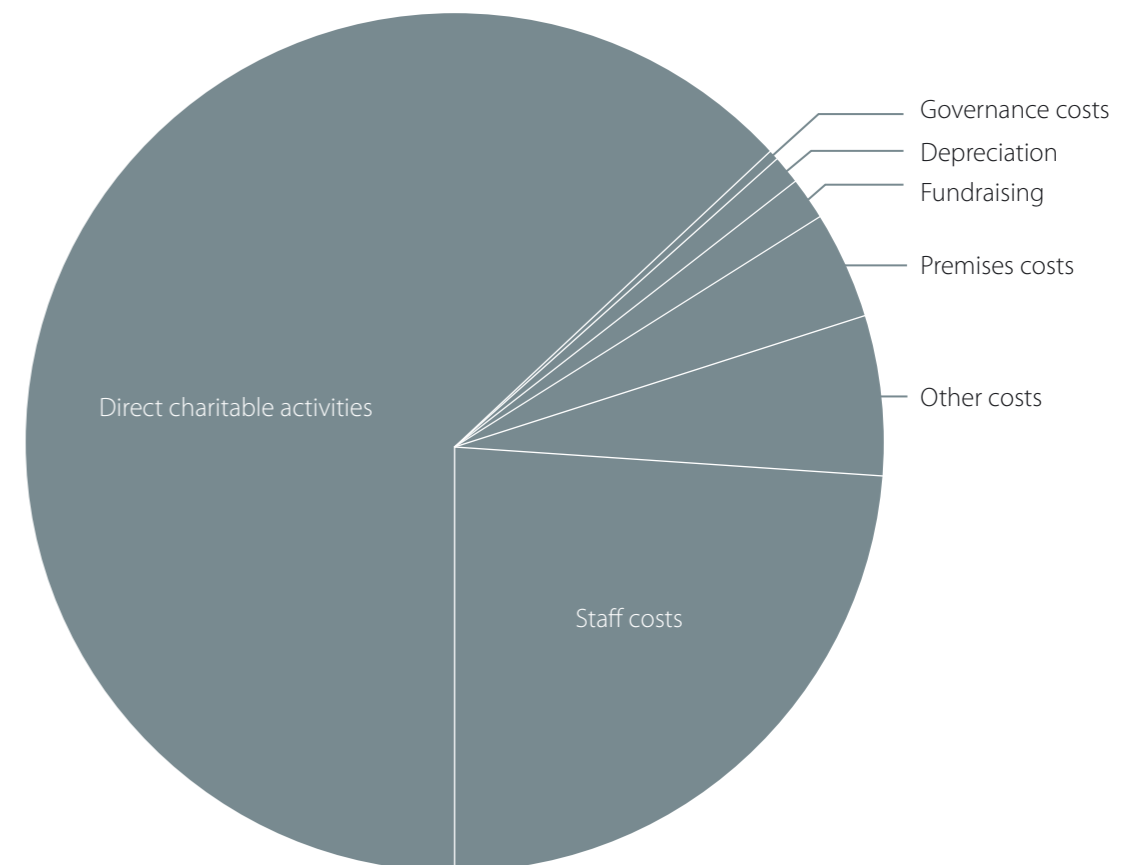
£884,677



Rise in income & expenditure



£753,745



The trustees present their report and accounts for the period ended 31 December 2009. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Legal & Administrative Information

Trustees

S Hockman
M McIntosh
W McIntosh
C Robert
V Thomas
M Stanley
The Honorable E Young
P Harvey

Secretary

BWB Secretarial Limited

Charity number

1053988

Company number

2863827

Principal address

The Hothouse
274 Richmond Road
London, E8 3QW

Registered office

2-6 Cannon Street
London, EC4M 6YH

Auditors

Arram Berlyn Gardner
30 City Road
London, EC1Y 2AB

Trustees

The charity is a company limited by guarantee and is governed by its memorandum and articles of association. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up. New Trustees are identified and invited to join the Board by the Chief Executive Officer and the Chair of the Board of Trustees. They are selected on the basis of their sympathy with ClientEarth's charitable objects, and their ability to further them as a Trustee.

2009 saw us welcome Martin Stanley and Simon Birkett as new Trustees. Martin brings with him formidable communications experience from his career in telecoms alongside strong experience in environmentalism having set up a charity supporting wildlife conservation projects in the UK, Latin America and Africa. Simon Birkett has a wealth of experience in the financial sector, having worked formerly as a senior executive at HSBC Holdings plc. He now runs the Campaign for Clean Air in London and has a keen interest in ClientEarth's CleanAir for London campaign launched earlier this year.

Statement of trustees' responsibilities

The trustees (who are also directors of ClientEarth for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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;*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.*

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

In so far as the trustees are aware:

- *there is no relevant audit information of which the charitable company's auditor is unaware; and*
- *the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.*

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

Public Benefit

The charity has kept in mind the Charities Commission guidance on public benefit. The report focuses on the main activities undertaken by the charity to further its charitable purposes for the public benefit. The main aim of the charity, to promote the protection of the environment, is by its very nature of benefit to all sections of the public. The public benefit is further illustrated in this report through the 'Objectives' and 'Programme Areas' sections of the report.

Charitable objectives

To promote and encourage the enhancement, restoration, conservation and protection of the environment, including the protection of human health, for the public benefit.

To promote, assist, undertake and commission research into the law, practice and administration of justice in connection with the environment and matters relating thereto, including the impact, direct or indirect, or any human activity on the environment and to disseminate the useful results of such research.

Disclosure of information to auditors

Each of the directors 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 auditors are aware of such information.

Auditors

A resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put to the members.

On behalf of the board of trustees

Dated 12 September 2010

Trustee



Independent auditors' report

To the trustees of ClientEarth

We have audited the accounts of ClientEarth for the year ended 31 December 2009 set out on pages 17 to 24. These accounts have been prepared in accordance with the accounting policies set out on page 19.

This report is made solely to the charity's trustees, 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees, who are also the directors of ClientEarth for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's accounts give a true and fair view as set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

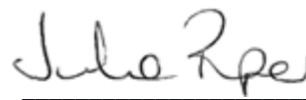
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the charity as at 31 December 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and

- *the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;*
- *the accounts have been prepared in accordance with the Companies Act 2006; and the information given in the Trustees' Annual report is consistent with the Financial statements*

Dated

16 September 2010 

Julie Piper (Senior Statutory Auditor)
For and on behalf of Arram Berlyn Gardner

Chartered Accountants
Statutory Auditor

30 City Road
London, EC1Y 2AB

Statement of financial activities including income and expenditure account, year ended 31 December 2009

		Unrestricted funds	Restricted funds	Total 2009	Total 2008 <i>Restated</i>
	Notes	£	£	£	£
Incoming resources from generated funds					
Voluntary income	2	222,107	-	222,107	126,996
Investment income	3	108	-	108	1,130
		<u>222,215</u>	<u>-</u>	<u>222,215</u>	<u>128,126</u>
Incoming resources from charitable activities	4	120,538	536,501	657,039	354,966
Other incoming resources	5	5,423	-	5,423	-
Total incoming resources		<u>348,176</u>	<u>536,501</u>	<u>884,677</u>	<u>483,092</u>
Resources expended					
Costs of generating grants	6	12,620	-	12,620	35,598
Net incoming resources available		<u>335,556</u>	<u>536,501</u>	<u>872,057</u>	<u>447,494</u>
Charitable activities		303,051	434,134	737,185	306,214
Governance costs		3,940	-	3,940	4,573
Total resources expended		<u>319,611</u>	<u>434,134</u>	<u>753,745</u>	<u>346,385</u>
Net income for the year/ movement in funds		28,565	102,367	130,932	136,707
Fund balances at 1 January 2009		104,004	155,749	259,753	123,046
Fund balances at 31 December 2009		<u>132,569</u>	<u>258,116</u>	<u>390,685</u>	<u>259,753</u>

The statement of financial activities also complies with the requirements for an income & expenditure account under the Companies Act 2006. The results for the year derive from continuing activities and there are not gains or losses other than those shown above.

Balance sheet as at 31 December 2009

		2009		2008	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	10		16,774		3,627
Current Assets					
Debtors	11	56,468		133,161	
Cash at bank & in hand		362,493		153,756	
		<u>418,961</u>		<u>286,917</u>	
Creditors falling due within one year	12	(45,050)		(30,791)	
Net current assets			373,911		256,126
Total assets less current liabilities			<u>390,685</u>		<u>259,753</u>
Income funds					
Restricted funds	13		258,116		155,749
Unrestricted funds			132,569		104,004
			<u>390,685</u>		<u>259,753</u>

The accounts were approved by the Board on

12 September 2010

Trustee



Company Registration No. 2863827

Notes to the accounts

				2009	2008
					<i>Restated</i>
	£	£	£	£	£
1 Accounting policies					
1.1 Basis of preparation					
The accounts have been prepared under the historical cost convention.					
The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.					
1.2 Incoming resources					
Donations, legacies and other forms of voluntary income are recognised as incoming resources when received by the charity. All income is shown gross, with associated costs analysed under the relevant cost headings.					
Gifts in kind are recognised in the accounts as a donation received and expenditure incurred. These gifts are recorded at their market value of the service or goods provided.					
Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.					
Grants received with both a restricted and unrestricted purpose are allocated on receipt directly into the correct fund and are not transferred between restricted and unrestricted funds. Grants due in the year, but not received are recognised based on the charity's entitlement to the grant.					
1.3 Resources expended					
Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity. This includes costs of the professional services which enable the charity to function.					
1.4 Tangible fixed assets and depreciation					
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:					
Fixtures, fittings & equipment - over 3 years on a straight line basis					
1.5 Accumulated funds					
Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.					
1.6 Restatement of comparatives					
The comparatives have been reclassified within the Charities SORP, to give the user a better understanding of the accounts.					
2 Voluntary income					
Donations and gifts				120,521	1,059
Grants receivable for core activities				101,586	125,937
				<u>222,107</u>	<u>126,996</u>
3 Investment income					
Interest receivable				108	1,130
4 Incoming resources from charitable activities		Unrestricted funds	Restricted funds	Total 2009	Total 2008
Grants and project work		120,538	536,501	657,039	354,966
5 Other incoming resources					
Other income				5,423	-
6 Total resources expended	Staff costs	Depreciation	Other costs	Total 2009	Total 2008
Costs of generating grants	9,036	-	3,584	12,620	35,598
Charitable activities					
Activities undertaken directly	350,928	598	137,247	488,773	268,011
Support costs	120,379	9,212	118,821	248,412	38,203
	<u>471,307</u>	<u>9,810</u>	<u>256,068</u>	<u>737,185</u>	<u>306,214</u>
Governance costs	-	-	3,940	3,940	4,573
	<u>480,343</u>	<u>9,810</u>	<u>263,592</u>	<u>753,745</u>	<u>346,385</u>

Audit fees (including VAT) charged to the Income and Expenditure account amounted to £3,921 (31 December 2008 £2,415) and fees paid to the auditors for non-audit services amounted to £10,908 (31 December 2008 £5,215)

Notes to the accounts (continued)

	2009	2008 <i>Restated</i>
	£	£
7 Support costs		
Other costs	86,566	33,057
Staff costs	120,379	-
Depreciation	9,212	1,815
Premises costs	32,255	3,331
	<u>248,412</u>	<u>38,203</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. During the year £4,050 of expenses were reimbursed to M McIntosh and W McIntosh relating to travel and accommodation costs for attending trustees meetings.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2009	2008
Restricted funds projects	8	4
Mixture of restricted funds projects and general	2	2
	<u>10</u>	<u>6</u>

Employment costs

	2009	2008
Wages and salaries	£480,343	£178,807

The number of employees whose annual remuneration was £60,000 or more were:

	2009	2008
£85,000 - £95,000	1	-

10 Tangible fixed assets

	2009	2008
	£	£
Fixtures, fittings & equipment		
Cost		
At 1 January 2009	7,261	
Additions	22,957	
	<u>30,218</u>	
At 31 December 2009	30,218	
Depreciation		
At 1 January 2009	3,634	
Charge for the year	9,810	
	<u>13,444</u>	
At 31 December 2009	13,444	
Net book value		
At 31 December 2009	16,774	
	<u>3,627</u>	
At 31 December 2008	3,627	

11 Debtors

	2009	2008
	£	£
Other debtors	50,180	127,873
Prepayments and accrued income	6,288	5,288
	<u>56,468</u>	<u>133,161</u>

12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Taxes and social security costs	13,017	14,442
Other creditors	13,786	5,187
Accruals	18,247	11,162
	<u>45,050</u>	<u>30,791</u>

Notes to the accounts (continued)

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 Jan 2009	incoming resources	Resources expended	Balance at 31 Dec 2009
	£	£	£	£
Esmee Fairbairn Foundation	17,721	-	(17,721)	-
European Climate Foundation - Fund 1	8,709	-	(8,709)	-
Oak Foundation - Brussels	26,202	-	(26,202)	-
European Climate Foundation - 2009	-	169,010	(199,243)	(30,233)
Ecology Trust	27,500	-	(27,500)	-
Holly Hill Trust	12,027	20,833	(15,510)	17,350
Staples Trust	12,531	-	(12,531)	-
European Climate Foundation - Fund 3	51,059	-	(46,282)	4,777
Oak Foundation - Marine	-	71,208	(9,542)	61,666
Kenneth Miller Trust	-	24,000	(275)	119,137
Marisla Foundation	-	119,414	(275)	119,137
Sigrid Rausing Trust	-	62,500	(33,666)	28,834
Packard Foundation	-	40,144	(16,307)	23,837
Oak Foundation - Toxic	-	29,392	-	29,392
	<u>155,749</u>	<u>536,501</u>	<u>(434,134)</u>	<u>258,116</u>

14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2009 are represented by:			
Tangible fixed assets	16,026	748	16,774
Current assets	161,593	257,368	418,961
Creditors: amounts falling due within one year	(45,050)	-	(45,050)
	<u>132,569</u>	<u>258,116</u>	<u>390,685</u>

15 Related parties

During the period the charity received grants of £101,586 (31 December 2008 £125,937) from The McIntosh Foundation, a foundation in which the trustees M McIntosh and W McIntosh are trustees.

Funders in 2009

European Climate Foundation
Oak Foundation
Sigrid Rausing Trust
Holly Hill Trust
JMG Foundation
McIntosh Foundation
Marisla Foundation
Kenneth Miller Trust

Patrons

Brian Eno
Zac Goldsmith MP

Trustees

Winsome McIntosh
Michael A McIntosh
Phil Harvey
Stephen Hockman
Christina Robert
Martin Stanley
Eski Thomas
Steuart Walton
Emily Young

London Staff

James Thornton *Chief executive officer*
Ludwig Krämer *Senior counsel*
Alan Andrew *Health & environment lawyer*
Amy Armstrong-Evans *Administration & development assistant*
Ben Bundock *Legal advisor – corporate transparency*
Patricia Del Rio *Administrator*
Mike Haines *Communications officer*
Karla Hill *Director of programmes*
Dave Holyoake *Legal policy officer*
George Leigh *Communications officer*
Sandy Luk *Marine protection lawyer*
Tom Luk *Legal researcher*
Lewis Merdler *Events & communications assistant*
Janet Meissner Pritchard *Climate & forests lawyer*
Mina Miller *Personal assistant*
Jonathan Moore *Staff lawyer*
Dagmar Ramsden *Administrative assistant*
Daniela Rey *Climate & forests lawyer*
Rowan Ryrie *Marine biodiversity lawyer*
Rob Ryan *Director of development*
Katherine Sladden *Communications officer*
Ed Walker *Director of finance & administration*
David Waterston *Staff lawyer*
Marie-Claire Yeo *Accountant*

Brussels Staff

Marta Ballesteros *Climate & energy lawyer; Director, Brussels office*
Anaïs Berthier *Staff lawyer*
Vito Buonsante *Health & environment lawyer*
Marta Toporek *Climate & energy lawyer*
Susie Wilks *Biodiversity lawyer*

Paris Staff

Tim Grabel *Senior lawyer*

Warsaw Staff

Marcin Stoczkiewicz *Senior Lawyer*
Piotr Turowicz *Lawyer*
Dawid Szescilo *Lawyer*
Daria Zebrowska *Administrator*

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