

Environmental Defense Fund Europe

Annual Report and Financial Statements

Year ended 30 September 2021

Charity number: 1164661

Company number: 09217493

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Reference and Administrative Information

Other Names	Environmental Defense Fund, Environmental Defense Fund Ltd (former name), Environmental Defence Fund Europe/UK (former name), EDF Europe/UK, EDF Europe, EDF UK, Environmental Defence Fund
Directors	Katherine Lorenz (Resigned 14 th September 2021) Carl Ferenbach Jens Dag Ulltveit-Moe Lord Brian Griffiths Christopher Cole (Resigned 14 th September 2021) Lance West Connie Hedegaard (Appointed 19 th November 2020) Andrea Monge (Appointed 19 th November 2020) Ravi Gurumurthy (Appointed 19 th November 2020) Roland Kupers (Appointed 19 th November 2020)
Registered Office	3 rd Floor 41 Eastcheap London EC3M 1DT
Company Registration Number	09217493
Charity Registration Number	1164661
Accountants	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Citibank 33 Canada Square London E14 5LB

Report of the trustees for the year ended 30 September 2021

The trustees are pleased to present their annual directors' report together with the financial statements of the charitable company for the year ended 30 September 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

No single entity can do all that is needed to address today's urgent environmental problems - not the United States, not Europe, not the global business community, certainly not Environmental Defense Fund alone. Nevertheless, by working in partnership with many others, we can make a difference.

As we expand our platform in Europe, we will continue to investigate and assess what needs to be done to meet the most pressing challenges that cross national boundaries. We will remain alert and flexible, responding to new scientific discoveries, technological innovations and social trends and pursuing important opportunities as they arise.

Objectives and activities

The objects of the Charity are for the public benefit to promote:

- the advancement of the conservation, protection and improvement of the physical and natural environment;
- the advancement of the education of the public with particular reference to the conservation, protection and improvement of the physical and natural environment; and
- the promotion of sustainable development by:
 - the preservation, conservation, and the protection of the environment and the prudent use of resources;
 - the promotion of sustainable means of achieving economic growth and regeneration; and
 - sustainable development means "*development which meets the needs of the present without compromising the ability of future generations to meet their own needs*".

The charity Trustees consider that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the Public Benefit guidance published by the Charity Commission.

Europe so often leads the world in safeguarding the environment and human health, from its major advances on climate to its protections for species and habitat, and its ambitious standards for clean air, clean water, safer chemicals and greener products. Yet we still face many challenges. Tackling global climate change requires unprecedented action, our seas are still under great pressure, our land does not sustain the protective web of biodiversity and habitats it once did, and human health is still too often impaired due to poor environmental conditions.

To help deliver solutions on the scale of these problems, Environmental Defense Fund Europe will reach out to new audiences, unlock additional resources, and deploy both tried and tested tools and innovative approaches, adding further diversity to the European environmental movement.

Hallmarks of Environmental Defense Fund Europe’s approach include:

- working across the political spectrum;
- presenting a positive vision;
- investing in science and data analysis;
- using legal and economics expertise to design solutions; and
- working with strategic partners across all sectors.

Charting a Course for EDF Europe

EDF has a 50-year track record in the US of using economics, science, and partnerships to provide pragmatic solutions to the world’s most pressing environmental problems. To increase its overall effectiveness, EDF will expand its European presence in the coming years. It will do this by expanding its engagement in the heart of decision making in Brussels and across Europe. We will collaborate with politicians, policy makers, businesses and academia to hasten the transition to a carbon free economy, develop and implement ambitious environmental policies across Europe, and share learnings from Europe to other parts of the globe.

By developing a significant presence in Brussels and raising our profile as a global organisation, we will ensure that we can disseminate the best science and economics to achieve cohesive solutions that are effective locally, regionally and globally.

Goals

Energy

Accelerated adoption of clean energy in all sectors has reduced carbon emissions (against a 2017 baseline) and contributed to improvements in air quality, while allowing for strong growth in the economy.

Measuring methane emissions

Measured methane emissions from global oil and gas infrastructure to help identify emissions mitigation opportunities within Europe.

Reducing methane emissions

European countries and companies make strong commitments to reduce methane emissions, consistent with achieving a 45% global reduction by 2025.

Climate

Europe meets its commitments under the Paris Agreement, pledging to cut emissions by at least 55% by 2030 (from a 1990 baseline).

Carbon Pricing

That carbon pricing is effective in reducing emissions across all sectors, including through the European Union Emissions Trading Scheme (EU-ETS) and through ICAO and IMO for international aviation and shipping.

Oceans

Establish Europe as a world leader in addressing climate change impacts on fisheries.

Air Quality

Advance innovation in air pollution monitoring and control around the world to tackle the growing crisis of urban air quality. Working with diverse partners on the ground around the world, we are advancing scientific and policy tools to support solutions that deliver cleaner air and healthier communities.

Achievements and performance

Measuring and reducing methane emissions

Methane is a potent greenhouse gas, responsible for around 25% of current global warming. In 2021, our work over the past 11 years culminated in the EU- and US-driven pledge at COP26 of more than 100 countries to slash methane emissions by 30 percent by 2030.

Our work also led to the inclusion in a European Commission legislative proposal in December 2021 of rules for measuring, reporting and verification; leak detection and repair and reducing emissions from venting and flaring.

Furthermore, we continued to work with the European Commission to introduce measures to reduce methane emissions from gas imports.

These instrumental developments follow the Environmental Defense Fund Europe's work with a network of EU stakeholders and decision-makers to drive ambitious methane reform. EU interlocutors have explicitly referenced us as essential to "putting methane on the EU agenda and keeping it there."

Advocating for smart, science-based use of hydrogen across the UK and Europe

The EU has placed hydrogen at the centre of its ambitious Green Deal. In 2021, Environmental Defense Fund has galvanized new science and advocacy in Europe to ensure that investments in hydrogen deliver on their promise to protect the climate. A series of events hosted by or featuring Environmental Defense Fund articulated the important nuances and risks of deploying hydrogen.

Officials in the European Commission took note of our intervention and were struck by the new insights. Several follow up meetings have taken place with Commission interlocutors, and they have welcomed ongoing information exchange and encouraged further discussions on appropriate research.

Cleaning up shipping

The EDF Europe shipping team published several reports this year relating to leveraging international law and market-based mechanisms for decarbonising shipping, which have received significant media and key stakeholder attention.

Europe was an expert founding partner for Cargo Owners for Zero Emission Vessels (COZEV), which includes a pledge by major companies like Amazon and Ikea to use zero-carbon ocean freight by 2040. The platform launched in October, receiving widespread coverage (e.g. BBC, Financial Times, Washington Post).

Breathe London/Clean air in the UK

Through our Breathe London project (which was handed over to Imperial College London at the end of 2021), Environmental Defense Fund Europe has worked to translate hyperlocal air pollution data into actionable information for communities and grassroots campaigns as well as policy makers to advance clean air actions in the city. In 2021, we provided a summary of our work to put actionable information into the hands of communities, NGOs and policymakers to inform key clean air interventions, like the Ultra-Low Emission Zone, and raise the political ambition of the London Mayor's clean air goals.

In summer 2021, we supported local grassroots campaigners and fellow NGOs with data assessments and visuals to strengthen their campaigns to improve air quality and health, particularly for the most vulnerable Londoners including the very old and young, and those living in areas of high deprivation. This included providing 'Mums for Lungs,' a group of concerned parents, with a list of the monitoring sites across the city that registered illegal air pollution in 2020 - despite lockdown measures - and an assessment showing that about two-thirds of the NO₂ pollution at these locations came from diesel vehicles.

We also released an interactive map displaying detailed information on the sources of health-harming air pollution across Greater London, using a modelled dataset from the Breathe London pilot. The map allows local officials and campaigners to drill down to a 10x10 metre grid and see how specific activities (e.g., diesel van drives, aviation, or burning gas for fuel) contribute to PM_{2.5} and NO₂ air pollution at that particular location. Many local government officials, advocates, academics and researchers attended our launch webinar and map demo. We have been informally told that both the Greater London Authority and Defra are interested in adopting this approach to mapping pollution sources. The Greater London Authority also referenced our Clean Air Zone analysis in a new report on the city's Low Emission Zone as evidence of benefits beyond London.

Sustainable freight

In 2021, Environmental Defense Fund Europe partnered with POLIS to launch the SURF (Sustainable Urban Freight) project to guide city planners, business leaders and other freight decision-makers to develop a vision and strategy pathway for sustainable freight.

Taking place between April and December 2021, the project focused on the design and implementation of Zero-Emission Zones for freight (ZEEZ-Fs), which can dramatically reduce carbon emissions and contribute to healthier cities.

SURF also built practice and partnerships to launch innovative solutions and measures for the decarbonisation of the freight sector, with a focus on urban logistics.

This project consisted of two core components:

- The Capacity Building portion included an online e-course providing participants with the education and tools they need to effectively develop a ZEEZ-F.

- Small-scale projects to inform the wider urban freight community and create local, immediate impact – in Aarhus (Denmark), Karditsa (Greece) and Ravenna (Italy).

The SURF e-course, which includes learnings from our work in London, successfully launched two of three modules, which more than 50 individuals have so far enrolled in. The course covers current challenges and trends, opportunities and the policy context for zero-emission zones for freight.

Development and Operations

Environmental Defense Fund Europe continues to establish itself as an environmental non-profit that brings a unique science-based perspective to the major policy debates shaping the future of the European Union. As we deepen our engagement and impact on the continent, we are augmenting our organizational capacity with new senior appointments across Europe.

Following the arrival of Executive Director Jill Duggan in June 2020, the team has continued to grow. Key recent hires include an AVP for European Strategy and Engagement (Dagmar Droogsma); Director of Parliamentary Engagement (Kate Wilson); AVP of European Strategy and Engagement (Helen Spence-Jackson); and Head of Communications (Brett Kobie). Soon to join are a new Senior Policy Analyst and a Senior Director for EU Energy Transition. These will be supported by new operational roles at our administrative headquarters in Amsterdam.

We continue to actively pursue government funding from entities such as the European Commission, individual governments, and institutional funding from foundations. Diversifying our funding streams by tapping into new sources will help us grow and expand.

Financial review

Expenditure

Direct expenditure for the year ended 30 September 2021 totalled £4,002k (2020: £3,790k). Of the total expenditure, £3,298k was considered unrestricted (2020: £2,038k) and £704k was subject to donor restrictions (2020: £1,752k).

Stichting EDF Europe's direct expenditure was £371k (2020: £428k) The expenditure covered charitable activities and operational costs.

Income

EDF Europe receives funding and support from a number of generous private individuals and foundations. The remainder of our activity is funded through a grant from EDF Inc. We maintain a restrictive government and corporate donations policy that ensures our objectivity, aligns with our commitment to non-partisanship, and allows EDF Europe to make its work freely available to ensure its widest possible adoption.

EDF Europe received total income of £4,064k (2020: £3,766k) for the year ended 30 September 2021. This included £3,310k of unrestricted funds (2020: £2,187k) and £754k of funds that were subject to a restriction on usage (2020: £1,579k).

EDF Europe ended FY2021 with an unrestricted surplus of £11k compared to a £149k surplus a year earlier.

Total funds at the end of 20FY21 were £659k (2019: £598k). All net assets held were considered unrestricted.

Conduit funding

During the year, EDF Europe received funding on behalf of EDF Inc totalling £48k. These funds were passed directly to EDF Inc at the request of the donor and are not included in the results of EDF Europe.

Reserves policy

Reserves are typically required to bridge the gap between spending and receiving income, and/or to cover. The Trustees believe the ideal level of Reserves is three months of Operating Expense which is £727k (2020: £582k). The reserves level has been reviewed in light of the COVID-19 pandemic and the Trustees assess that the required level of reserves remains appropriate despite this external event. The total unrestricted funds as of 30 September 2021 amounted to £659k (2020: £598k). This includes fixed assets with a Net Book Value (NBV) of £51k (2020: £57k) that are not available for general purposes at the year-end, leaving free reserves at the year-end of £608k (2020: £541k). The trustees feel that the current level of reserves is sufficiently close to target so as not to require specific action. This will however be reviewed annually as the organisation continues to grow.

Going concern

In assessing the impact of COVID-19 on EDF Europe, the Trustees have considered all the matters described in the Trustees' Report, including the potential impact on the group's operations, donations and grant funding. The trustees do not expect the impact of COVID-19 to have a material impact on current programmatic strategy and expansion plans. EDF Europe has a signed letter of support from the parent charity Environmental Defense Fund Inc (for the period to the end of March 2023) guaranteeing to cover any shortfalls incurred by EDF Europe that covers the period to the end of March 2023.

As at the date of signing these financial statements, the Trustees' forecasts indicate that the charitable company will be able to maintain liquidity for a period of at least one year following the date of signing these financial statements and will therefore be able to continue to operate as a going concern. The Trustees therefore consider that no material uncertainty exists that could impact the charitable company's going concern assessment.

Looking to the future

In 2022, we will continue our push toward realising positive environmental change in the European Union and, as part of EDF's new global strategy – convene discussions with the EU and other regions to drive best practice on the policy frameworks need to curb the climate crisis. As part of this exercise, we will be separating the UK and EU-focused elements of our work across the relevant legal entities.

Recognising our institutional strengths, we are continuing to raise the importance of tackling methane emissions from oil and gas, encouraging the EU to take a global leadership role to address this issue rapidly. The EDF Europe team is also actively exploring (new workstreams where our unique science- and economics-based approach can add significant value. These include product sustainability in the context of the circular economy; climate smart agriculture, forestry and land use (AFOLU); fisheries and oceans; leveraging investor influence as well as enhanced engagement with Central and Eastern European countries on climate.

Across all work areas, we adhere to the principle of additionality, ensuring that we fill gaps where other NGOs are less active.

Fundraising

We seek to raise funds from individuals, foundations and relevant Government grant making programmes. EDF Europe receives donations raised by EDF Inc. for our work in Europe and direct support received from European sources. Fundraising activities in Europe are closely coordinated between EDF Inc. and EDF Europe.

We carry out our fundraising in-house, do not currently employ professional fundraising service providers, and do not manage small-scale donations from individuals. EDF Europe does not hold or manage a list of contact details for donors' residents in Europe, donating to EDF Europe. We have received no complaints. Our fundraising activity is currently not operating at a level where we consider it necessary to agree to any voluntary standards. Should it increase, we will ensure we adopt leading practices and sign up to and meet the appropriate standards.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; it is not currently necessary to design specific procedures to monitor such activities. When fundraising from individuals in Europe is facilitated in Europe via a dedicated communications channel such as the new website, we will establish the necessary procedures and guidelines to manage that activity.

Structure governance and management

Governing document

Environmental Defense Fund Europe (EDF Europe) is a company limited by guarantee under the Companies Act 2006 and incorporated in England and Wales. Environmental Defense Fund, Incorporated, a New York not-for-profit organisation (“EDF Inc.”), is the sole member of the Charity. The liability of the Member is limited to £1, being the amount that the Member undertakes to contribute to the assets of EDF Europe in the event of its being wound up while it is the Member or within one year after it ceases to be the Member. In addition to the foregoing, EDF Inc. has entered into an agreement with EDF Europe to pay operating expenses that EDF Europe is unable to pay during the period from October 2021 through March 2023.

Decisions of EDF Europe are made by the Charity’s trustees, who act independently from EDF Inc. EDF Inc may suggest areas of work for consideration by the EDF Europe’s trustees; however, work in these suggested areas will be undertaken only if the trustees of the Charity decide that it will further the Charity’s objects and that it will be effective in the UK and/or wider European context. Program and geographic leaders work collaboratively to identify and maximise opportunities for transformative environmental impact.

Stichting Environmental Defense Fund Europe is a charitable foundation, registered in the Netherlands (Chamber of Commerce registration no. 72607440) and a company limited by guarantee, incorporated in the Netherlands (Fiscal identity company no. 859171814). Environmental Defense Fund Europe consolidates the results of the Stichting on the basis that it has the ability to govern the Stichting’s financial and operating policies. The mission of the Stichting follows that of EDF Europe and its ultimate parent organisation, EDF Inc. Summary results for Stichting EDF Europe are included in the notes to the financial statements.

The workforce remuneration and key management personnel (KMP) salaries are reviewed against market pay data. We are also in the process of devising a remuneration policy to ensure workforce pay is within the appropriate market benchmark, parameters and criteria against the UK charity and not for profit sector.

Appointment of trustees

The Memorandum and Articles of Association of EDF Europe require that the Charity have at least four trustees, two of whom must be independent trustees. EDF Inc., as the sole member, appoints trustees for such term as the sole member specifies.

Trustees of EDF Europe have been, and prospective trustees will continue to be, chosen with their knowledge of the European region in mind. In due course, as the Charity gains experience and develops its own organisational capacity, it is anticipated that the Charity’s staff and trustees will increasingly propose areas of focus and activities to be carried out by EDF Europe and will liaise with EDF Inc. to ensure such activities coordinate with EDF Inc.’s work.

EDF Inc. and EDF Europe work together towards the achievement of common goals and currently share a common Board Chair, which helps to provide co-ordination and consistency.

We are seeking to expand Board membership to include representatives from a wider spectrum of European countries and a greater range of skills, experience and influence.

Trustee induction and training

New EDF Europe trustees are voted on by a majority vote of the board. Upon their approval, new trustees are provided a trustee handbook and organisational orientation. The orientation includes meetings with the board chair, EDF Europe Executive Director, and other members of the organisation's senior leadership team including but not limited to the Chief Administrative Officer and programme teams. The goal of the orientation is to give new trustees the opportunity to ask questions and gain a deeper understanding of the organisation's mission, vision and operations.

Organisation

An Executive Director is appointed by the trustees to manage the day-to-day operations of both Environmental Defense Fund Europe and Stichting Environmental Defense Fund Europe by implementing the policy and strategy adopted by and within a budget approved by the Trustees. The Trustees provide the manager with a description of his or her role and the extent of his or her authority; and any manager must report regularly to the Trustees on the activities undertaken in managing EDF Europe and provide them regularly with management accounts, which are sufficient to explain the financial position of the Charity.

Risk management

The Trustees of EDF Europe receive regularly updated risk assessments which cover the principal risks and uncertainties that the charity face, including financial, operational and reputational, presented in the form of a risk register that also summarises implementation of policies, processes or procedures to minimise or manage the potential impact on the charity should those risks materialise.

The trustees review the risk register at each board meeting and consider any further steps which may be necessary to manage new as well as previously identified risks. The trustees consider the most serious risks to which the charity is exposed at present to be:

- **Strategic aim of European expansion:** the trustees have identified a risk that the strategic aim of European expansion will be delayed due to the need to develop and implement strong operational processes and policies. To mitigate this risk, we are building our internal capability with the hire of senior operational roles in the Netherlands and Belgium. This will be supplemented by expert external support, as required.
- **Developing robust business processes:** It is critical that the organisation's aims of growth and expansion are supported by a strong and comprehensive foundation of controls and processes. In addition to boosting our capacity and capability through recruitment, we are also investing in systems and technology. This includes the implementation of a new global ERP system.

- **Reputational risk.** The organisation's reputation and credibility are key to our success in successfully advocating for change. To mitigate against the risk to our reputation we regularly carry-out media monitoring in Europe and the US and at programme levels to help monitor this risk and regularly review our publications and social media outputs.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 business.

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

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.

Statement as to disclosure to our auditors

In so far as, the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this Trustees' Report advantage has been taken of the small companies' exemption, including the option not to produce a strategic report.

By order of the board of trustees

A handwritten signature in black ink, appearing to read 'Carl Ferenbach', written in a cursive style.

Carl Ferenbach (Chair)
8th March 2022

INDEPENDENT AUDITOR'S REPORT TO MEMBERS AND TRUSTEES OF ENVIRONMENTAL DEFENSE FUND EUROPE

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as of 30 September 2021 and of the Group's incoming resources and application of resources and the Parent Charitable Company's 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 Companies Act 2006.

We have audited the financial statements of Environmental Defense Fund Europe ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 30 September 2021 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related 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 Group and the Parent

Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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 Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent 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

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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 Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

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

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:

- We have made enquiries of management, and the Board, including:
 - How they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance.
 - Their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.
 - Which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP, FRS 102 Charities SORP, and tax legislation.

- In addition, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, health and safety legislation, and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We made enquiries of the Board and management.
- We read minutes of meetings of those charged with governance.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We challenged assumptions made by management in their significant accounting estimates in relation to deferred income on grants received, accruals, and classification of restricted funds.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate

concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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 Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Jill Halford

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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London,
United Kingdom

Date: 09 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Environmental Defense Fund Europe
Consolidated Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 30 September 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Charitable activities:							
- Climate initiatives	2	3,309,583	754,345	4,063,928	2,186,075	1,578,666	3,764,741
Other income	3	-	-	-	1,083	-	1,083
Total income		<u>3,309,583</u>	<u>754,345</u>	<u>4,063,928</u>	<u>2,187,158</u>	<u>1,578,666</u>	<u>3,765,824</u>
Expenditure on:							
Charitable activities:							
- Climate initiatives	4	3,298,200	704,093	4,002,293	2,038,222	1,751,869	3,790,091
Total expenditure		<u>3,298,200</u>	<u>704,093</u>	<u>4,002,293</u>	<u>2,038,222</u>	<u>1,751,869</u>	<u>3,790,091</u>
Net income / (expenditure) for the year		11,383	50,252	61,635	148,936	(173,203)	(24,267)
Transfers between funds		50,252	(50,252)	-	-	-	-
Net movement in funds							
	5	61,635	-	61,635	148,936	(173,203)	(24,267)
Reconciliation of funds:							
Total funds brought forward		<u>597,529</u>	-	597,529	448,593	173,203	621,796
Total funds carried forward	14	<u>659,164</u>	-	<u>659,164</u>	<u>597,529</u>	-	<u>597,529</u>

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

Environmental Defense Fund Europe
Consolidated Balance Sheet
As at 30 September 2021

Company registration no. 09217493

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	8	42,860		37,445	
Intangible Assets	9	<u>8,238</u>		<u>19,224</u>	
			51,098		56,669
Current assets:					
Debtors	10	161,656		1,043,075	
Cash at bank and in hand	16	<u>1,281,687</u>		<u>132,666</u>	
		1,443,343		1,175,741	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(829,277)</u>		<u>(628,881)</u>	
Net current assets			614,066		546,860
Total assets less current liabilities			665,164		603,529
Provisions for liabilities	12		<u>(6,000)</u>		<u>(6,000)</u>
Total net assets			659,164		597,529
Funds					
Restricted funds	13		-		-
Unrestricted funds	13		<u>659,164</u>		<u>597,529</u>
Total funds			659,164		597,529

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on 8th March 2022
and signed on their behalf by:



Carl Ferenbach (Chair)

The attached notes form part of the financial statements.

Environmental Defense Fund Europe**Parent Charity Balance sheet**

Company registration no. 09217493

As at 30 September 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	8	42,860		37,444	
Intangible Assets	9	8,238		19,224	
Investments	8	-		1	
			51,098		56,669
Current assets:					
Debtors	10	223,344		1,041,583	
Cash at bank and in hand	16	1,184,925		132,666	
		1,408,269		1,174,249	
Liabilities:					
Creditors: amounts falling due within one year	11	(816,863)		(650,049)	
Net current assets			591,406		524,200
Total assets less current liabilities			642,504		580,869
Provisions for liabilities	12		(6,000)		(6,000)
Total net assets			636,504		574,869
Funds	13				
Restricted funds			-		-
Unrestricted funds	13		636,504		574,869
Total funds			636,504		574,869

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006, the Parent Charitable Company's profit and loss account has not been included in these financial statements. The surplus for the year was £61,635 (2020: £32,542 deficit).

Approved by the trustees on 8th March 2022
and signed on their behalf by:



Carl Ferenbacj (Chair)

The attached notes form part of the financial statements.

Environmental Defense Fund Europe
Consolidated Statement of Cash Flows
For the year ended 30 September 2021

	2021	2020
	£	£
Net cash provided by operating activities	1,169,974	105,885
Cash used in investing activities	(20,953)	(35,565)
increase in cash and cash equivalents in the year	<u>1,149,021</u>	<u>70,320</u>
Cash and cash equivalents at the beginning of the year	132,666	62,346
Cash and cash equivalents at the end of the year	<u><u>1,281,687</u></u>	<u><u>132,666</u></u>

Reconciliation of net expenditure to net cash flow from operating activities	2021	2020
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	61,635	(24,267)
Amortisation charge	10,986	10,986
Depreciation charge	15,537	6,028
(Increase) / decrease in debtors	881,419	(218,317)
Increase in creditors	200,396	325,455
Write-down of investment	1	-
Increase in provisions	-	6,000
Net cash provided by operating activities	<u><u>1,169,974</u></u>	<u><u>105,885</u></u>

Cashflow from investing activities

Purchase of Tangible Fixed Assets	<u>20,953</u>	<u>35,565</u>
	<u><u>20,953</u></u>	<u><u>35,565</u></u>

Changes in Net Funds

	At 01 October 2020 £	Cash Flows £	Non-cash changes £	At 30 September 2021 £
Cash at bank and at hand	132,666	1,149,021	-	1,281,687
Net cash	<u><u>132,666</u></u>	<u><u>1,149,021</u></u>	<u><u>-</u></u>	<u><u>1,281,687</u></u>

The attached notes form part of the financial statements.

Environmental Defense Fund Europe

Notes to the financial statements

For the year ended 30 September 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102) and the Companies Act 2006. The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. These financial statements have been prepared in accordance with provisions applicable to companies' subject to the small companies' regime.

1.1 Basis of Consolidation

These financial statements consolidate the results of the charity and its controlled subsidiary undertaking Stichting Environmental Defense Fund Europe on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because it has taken advantage of the exemption afforded by the Charities SORP.

1.2 Going concern

In assessing the impact of COVID-19 on EDF Europe, the Trustees have considered all the matters described in the Trustees' Report, including the group's operations, the impact on donations and grant funding. With this in mind, the Trustees can confirm there are enough funds to support the programmatic operations of EDF Europe. Despite the global pandemic, Environmental Defense Fund Europe is in a good position and maintaining its current programmatic strategy and expansion plans. The trustees also deem the future risk to income streams to be negligible as a result of the signed letter of support from Environmental Defense Fund Inc. This letter demonstrates that the parent company has a legal obligation to cover the shortfalls up to March 2023. The trustees have made suitable inquiries and considered the charity's forecasts, including cash flow, updated in the context of the COVID-19 pandemic and covering a period of at least 12 months from the date of approval of these financial statements. In making our assessment, the Trustees did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the company's ability to continue as a going concern.

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is 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 received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

1.4 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity, which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations, which the donor has specified, are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Environmental Defense Fund Europe
Notes to the financial statements
For the year ended 30 September 2021

1 Accounting policies (continued)

1.5 Expenditure and irrecoverable VAT

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

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's environmental programmes and activities. Support costs have been allocated to expenditure on charitable activities.

1.7 Operating leases

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

1.8 Cash at bank and in hand

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

1.9 Creditors and provisions

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

Provisions for dilapidations totalling £6,000 (2020: £6,000) are the best estimate of costs for the repairs and redecoration of office premises to return to good order before vacating in July 2025.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Environmental Defense Fund Europe
Notes to the financial statements
For the year ended 30 September 2021

1 Accounting policies (continued)

1.11 Intangible Assets

Intangible assets relate to website development costs. Where the charitable companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. The capitalised website development costs are subsequently amortised to 'administrative' expenses on a straight line basis over 4 years, except for those that are 'assets under construction', where no amortisation charge is incurred until the asset is complete.

1.12 Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings - 20% straight-line basis

1.13 Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1.14 Judgements in applying accounting policies and key sources of estimation uncertainty

The trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure.

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

2 Donations and Grants

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Climate initiatives				
EDF Inc	3,243,226	-	3,243,226	2,152,005
Thirty Percy	-	-	-	150,000
Clean Air Fund: Breathe London	-	181,879	181,879	904,201
Clean Air Fund: Data Into Action	-	29,920	29,920	
Clean Air Fund: Through Traffic	-	39,000	39,000	
Children's Investment Fund Foundation	-	346,725	346,725	406,097
Frederick Mulder Foundation	10,000	-	10,000	25,000
Fundación SHA	-	-	-	3,297
Levine Family Foundation	-	-	-	2,400
Oceano Azul Foundation	-	50,959	50,959	-
Other Donations	56,357	-	56,357	9,070
Rodel Foundation (via EDF Inc.)	-	-	-	110,671
Diego and Veronique De Giorgi	-	-	-	2,000
United Nations Environment Programme	-	105,862	105,862	-
Total for climate focused initiatives	<u>3,309,583</u>	<u>754,345</u>	<u>4,063,928</u>	<u>3,764,741</u>

Of the total Donations and Grants recognised in 2020, £1,578,666 was considered restricted. A breakdown of this income can be found in note 15.

Analysis of turnover by country of destination

	2021 Total	2020 Total
	£	£
United Kingdom	653,881	1,473,768
Rest of Europe	166,821	28,297
Rest of the world	<u>3,243,226</u>	<u>2,262,676</u>
	<u>4,063,928</u>	<u>3,764,741</u>

3. Other Income

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Interest Receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,083</u>

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

4 Analysis of expenditure

	Climate initiatives £	Charitable activities		2021 Total £	2020 Total £
		Support costs £	Governance costs £		
Staff costs	1,912,295	-	-	1,912,295	1,449,967
Professional fees	1,355,351	234,746.00	-	1,590,097	2,032,873
Staff travel	8,414	-	-	8,414	23,016
Rent	-	317,197	-	317,197	133,072
Office costs	-	46,115	-	46,115	54,657
Meetings	-	222	-	222	19,483
Subscriptions	-	14,574	-	14,574	11,611
General Administration	-	33,976	-	33,976	34,012
Audit and accounts fee	-	-	79,402	79,402	31,400
	3,276,059	646,830	79,402	4,002,292	3,790,091
Support costs	646,830	(646,830)	-	-	-
Governance costs	79,402	-	(79,402)	-	-
Total expenditure 2021	4,002,292	-	-	4,002,292	3,790,091
Total expenditure 2020	3,790,091	-	-	3,790,091	3,790,091

Of the total expenditure incurred in 2021, £3,298,200 was unrestricted (2020: £2,038,222) and £704,093 was restricted (2020: £1,751,869).

Professional fees relate to third party services utilised in order to meet charitable objectives, as well as services required to maintain the operational aspects of the Charity, such as HR and accountancy.

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

5 Net expenditure for the year

This is stated after charging:	2021	2020
	£	£
Operating lease rentals:		
- Property	271,109	133,072
Depreciation	15,537	6,028
Amortisation	10,986	10,986
Auditor's remuneration:		
- Audit fees	32,760	26,500
	271,109	133,072
	15,537	6,028
	10,986	10,986
	32,760	26,500

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2021	2020
	£	£
Salaries and wages	1,337,054	917,228
Social security costs	187,406	108,280
Employer's contribution to defined contribution pension schemes	201,536	84,127
Other staff costs	150,475	340,332
	1,876,470	1,449,967

The following number of employees received employee benefits (excluding employer pension) greater than £60,000 during the year:

	2021	2020
	No.	No.
£60,000 - £69,999	1	1
£70,000 - £79,999	2	1
£80,000 - £89,999	-	1
£100,000 - £109,999	1	2
£110,000 - £119,999	1	-
£150,000 - £159,999	1	-

Other staff costs comprised US employee staff costs recharged to the UK in respect of various EDF Europe programme costs, which includes the work on the Energy, Office of the Chief Scientist (OCS), Climate and Oceans programmes in Europe.

The total employee benefits including pension contributions and national insurance contributions of the key management personnel were £489,076 (2020: £378,901). Key management personnel were determined to be the Managing Director, Executive Director and Director of Development in 2020, in line with the prior year period.

Redundancy and termination costs relating to employees were £nil (2020: £105,051).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021	2020
	No.	No.
Charitable activities	20	15
	20	15

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets

	Office Equipment £	Investment in Subsidiary £	Total £
Cost			
At the start of the year	44,747	1	44,748
Additions in year	20,953		20,953
Disposals in year	-	(1)	(1)
At the end of the year	<u>65,700</u>	<u>-</u>	<u>65,700</u>
Amortisation			
At the start of the year	7,303	-	7,303
Charge for the year	15,537	-	15,537
Eliminated on disposal	-		-
At the end of the year	<u>22,840</u>	<u>-</u>	<u>22,840</u>
Net book value			
At the end of the year	<u>42,860</u>	<u>-</u>	<u>42,860</u>
At the start of the year	<u>37,444</u>	<u>1</u>	<u>37,445</u>

All of the above assets are used for charitable purposes.

9 Intangible fixed assets

	Website Development £	Total £
Cost		
At the start of the year	43,942	43,942
Additions in year	-	-
Disposals in year	-	-
At the end of the year	<u>43,942</u>	<u>43,942</u>
Amortisation		
At the start of the year	24,718	24,718
Charge for the year	10,986	10,986
Eliminated on disposal	-	-
At the end of the year	<u>35,704</u>	<u>35,704</u>
Net book value		
At the end of the year	<u>8,238</u>	<u>8,238</u>
At the start of the year	<u>19,224</u>	<u>19,224</u>

All of the above assets are used for charitable purposes.

10 Debtors

	Group 2021 £	Group 2020 £	Parent Charity 2021 £	Parent Charity 2020 £
Other debtors	-	9,334	-	9,334
Amounts owed by group undertakings	-	946,123	61,688.00	946,123
Prepayments	129,236	49,755	129,236.00	48,263
Accrued income	32,420	37,863	32,420	37,863
	<u>161,656</u>	<u>1,043,075</u>	<u>223,344.00</u>	<u>1,041,583</u>

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

11 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Parent Charity 2021 £	Parent Charity 2020 £
Trade creditors	35,416	69,331	35,416	68,604
Other creditors	12,358	35,761	12,358	35,761
Accruals	676,953	386,563	665,384	386,563
Amounts owed to group undertakings	56,663	-	55,818	21,895
Taxes and Social Security	31,311	29,573	31,311	29,573
Deferred income	16,576	107,653	16,576	107,653
	<u>829,277</u>	<u>628,881</u>	<u>816,863</u>	<u>650,049</u>

12. Provisions for liabilities

	Group 2021 £	Group 2020 £	Parent Charity 2021 £	Parent Charity 2020 £
Opening balance	-	-	-	-
Additions	6,000	6,000	6,000	6,000
Amounts charged against the provision	-	-	-	-
Closing balance	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

The provision above has been made to cover the cost of dilapidations expected to arise at the end of the lease term on the new London property. This provision is expected to be utilised in 2025.

13 Analysis of net assets between funds - current year (Group)

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	51,098	-	51,098
Net current assets	614,066	-	614,066
Provisions for liabilities	(6,000)	-	(6,000)
Net assets at the end of the year	<u>659,164</u>	<u>-</u>	<u>659,164</u>

Analysis of net assets between funds - previous year

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	56,669	-	56,669
Net current assets	546,860	-	546,860
Provision for liabilities	(6,000)	-	(6,000)
Net assets at the end of the year	<u>597,529</u>	<u>-</u>	<u>597,529</u>

Analysis of net assets between funds - current year (Parent Charity)

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	51,098	-	51,098
Net current assets	591,406	-	591,406
Provisions for liabilities	(6,000)	-	(6,000)
Net assets at the end of the year	<u>636,504</u>	<u>-</u>	<u>636,504</u>

Analysis of net assets between funds - previous year

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	56,669	-	56,669
Net current assets	524,200	-	524,200
Provision for liabilities	(6,000)	-	(6,000)
Net assets at the end of the year	<u>574,869</u>	<u>-</u>	<u>574,869</u>

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

14 Movements in funds - current year (Group)	At 01 October 2020 £	Income £	Expenditure £	Transfers £	At 30 September 2021 £
Restricted funds:					
Clean Air Fund: Breathe London	-	181,879	(181,879)	-	-
Clean Air Fund: Data Into Action		29,920	(11,102)	(18,818)	-
Clean Air Fund: Through Traffic		39,000	(39,000)	-	-
Children's Investment Fund	-	346,725	(346,725)	-	-
Oceano Azul Foundation	-	50,959	(50,959)	-	-
United Nations Environment Programme	-	105,862	(74,428)	(31,434)	-
Total restricted funds	-	754,345	(704,093)	(50,252)	-
Unrestricted funds:					
General funds	597,529	3,309,583	(3,298,200)	50,252	659,164
Total unrestricted funds	597,529	3,309,583	(3,298,200)	50,252	659,164
Total funds	597,529	4,063,928	(4,002,293)	-	659,164

Transfers between funds reflect expenditure incurred on the projects above in the previous financial year. This expenditure was captured within unrestricted expenditure in the 2019/20 financial statements. .

Movements in funds - current year (Parent Charity)	At 01 October 2020 £	Income £	Expenditure £	Transfers £	At 30 September 2021 £
Restricted funds:					
Clean Air Fund: Breathe London	-	181,879	(181,879)	-	-
Clean Air Fund: Data Into Action		29,920	(11,102)	(18,818)	-
Clean Air Fund: Through Traffic		39,000	(39,000)	-	-
Children's Investment Fund Foundation	-	346,725	(346,725)	-	-
Oceano Azul Foundation	-	50,959	(50,959)	-	-
United Nations Environment Programme	-	105,862	(74,428)	(31,434)	-
Total restricted funds	-	754,345	(704,093)	(50,252)	-
Unrestricted funds:					
General funds	574,869	2,938,878	(2,927,495)	50,252	636,504
Total unrestricted funds	574,869	2,938,878	(2,927,495)	50,252	636,504
Total funds	574,869	3,693,223	(3,631,588)	-	636,504

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

Movements in funds - prior year (Group)	At 01 October 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
Restricted funds:					
C40	123,203	-	(123,203)	-	-
Alta Advisers	50,000	-	(50,000)	-	-
Thirty Percy	-	150,000	(150,000)	-	-
Clean Air fund	-	904,201	(904,201)	-	-
Children's Investment Fund	-	406,097	(406,097)	-	-
Diego and Veronique De Giorgi	-	2,000	(2,000)	-	-
Levine Family Foundation	-	2,400	(2,400)	-	-
Fundación SHA	-	3,297	(3,297)	-	-
Rodel Foundation	-	110,671	(110,671)	-	-
Total restricted funds	173,203	1,578,666	(1,751,869)	-	-
Unrestricted funds:					
General funds	448,593	2,187,158	(1,737,318)	-	898,433
Total unrestricted funds	448,593	2,187,158	(2,038,222)	-	597,529
Total funds	621,796	3,765,824	(3,790,091)	-	597,529

Movements in funds - prior year (Parent Charity)	At 01 October 2019	Income	Expenditure	Transfers	At 30 September 2020
Restricted funds:					
C40	123,203	-	(123,203)	-	-
Alta Advisers	50,000	-	(50,000)	-	-
Thirty Percy	-	150,000	(150,000)	-	-
Clean Air Fund	-	904,201	(904,201)	-	-
Children's Investment Fund Foundation	-	406,097	(406,097)	-	-
Diego and Veronique De Giorgi	-	2,000	(2,000)	-	-
Levine Family Foundation	-	2,400	(2,400)	-	-
Fundación SHA	-	3,297	(3,297)	-	-
Rodel Foundation	-	110,671	(110,671)	-	-
Total restricted funds	173,203	1,578,666	(1,751,869)	-	-
Unrestricted funds:					
General funds	434,208	2,187,158	(2,046,497)	-	574,869
Total unrestricted funds	434,208	2,187,158	(2,046,497)	-	574,869
Total funds	607,411	3,765,824	(3,798,366)	-	574,869

15 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Less than 1 year	270,804	270,874
2 - 5 years	637,317	908,356
Greater than 5 years	-	-
	908,121	1,179,230

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

17 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

During the year the organisation received a grant of £3,423,225 (2020: £2,152,005) from EDF Inc. Included within creditors falling due within one year is an amount owed at the end of the year to EDF Inc. of £55,818 (2020: £946,123 debtor was owed by EDF Inc.). Included within the grant from EDF Inc was £370,705 to cover the operating costs of the Stichting. This was subsequently regranted by EDF Europe to the Stichting. At the end of the year a creditor balance of £61,688 was owed by the Stichting to EDF Europe and £845 was owed to EDF Inc.

Roland Kupers, a board member of EDF Europe and of Stichting EDF Europe, was paid €27,000 by EDF Inc during FY21, under contract as a Senior Science Advisor to the EDF Office of the Chief Scientist.

18 Conduit funding

During the year, EDF Europe received £48k from the Levine Family Foundation (2020: £48k). The Foundation specified that this funding was intended to support EDF Inc's work on Indonesian fisheries and asked for it to be transferred to EDF Inc. The funding was received into EDF Europe's bank account but was immediately transferred, in full, to EDF Inc, in accordance with the Foundation's intention. EDF Europe has treated both this and the funds received in FY20 as conduit funding and as such, has not included the donations for either year in its financial results.

Environmental Defense Fund Europe
Notes to the financial statements (continued)
For the year ended 30 September 2021

19 Stichting EDF Statement of Financial Activities	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:						
Donations and grants	370,705	-	370,705	325,435	110,671	436,106
Total income	370,705	-	370,705	325,435	110,671	436,106
Expenditure on:						
Charitable activities	370,705	-	370,705	317,160	110,671	427,831
Total expenditure	370,705	-	370,705	317,160	110,671	427,831
Net movement in funds	-	-	-	8,275	-	8,275
Reconciliation of funds:						
Total funds brought forward	22,660	-	22,660	14,385	-	14,385
Total funds carried forward	22,660	-	22,660	22,660	-	22,660

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

Environmental Defense Fund Europe Ltd
Notes to the financial statements (continued)
As at 30 September 2021

Company registration no. 859171814

20	Stichting EDF Balance Sheet	2021	2021	2020	2020
		£	£	£	£
	Current assets:				
	Amounts due from parent	-		21,895	
	Prepayments	-		1,491	
	Cash at bank and in hand	<u>96,762</u>		-	
		96,762		<u>23,386</u>	
	Liabilities:				
	Creditors: amounts falling due within one year				
	Amount due to group undertakings	(62,533)			
	Other liabilities	<u>(11,569)</u>		<u>(727)</u>	
		(74,102)		<u>(727)</u>	
	Net current assets		<u>22,660</u>		<u>22,660</u>
	Total net assets		<u>22,660</u>		<u>22,660</u>
	Funds				
	Restricted funds	-		-	
	Unrestricted funds:				
	General funds	<u>22,660</u>		<u>22,660</u>	
	Total unrestricted funds		<u>22,660</u>		<u>22,660</u>
	Total funds		<u>22,660</u>		<u>22,660</u>



Carl Ferenbach (Chair)
8th March 2022