ENVIRONMENTAL DEFENSE FUND UK

England & Wales · Charity number 1164661

Details

Other names	ENVIRONMENTAL DEFENCE FUND EUROPE/UK, ENVIRONMENTAL DEFENSE FUND EUROPE, ENVIRONMENTAL DEFENSE FUND LTD, EDF EUROPE/UK, EDF EUROPE, EDF UK, ENVIRONMENTAL DEFENSE FUND EUROPE/UK, ENVIRONMENTAL DEFENSE FUND
Status	Registered
Legal form	Charitable company
Company number	09217493
Registered	2015-12-02
Register	View on the Charity Commission register

Contact

Address	Office 605 Albert House 256-260 Old St. London EC1V 9DD
Phone	02033105925
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Website	https://www.edfeurope.org/

Activities

Objects: THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT TO PROMOTE: 1 THE ADVANCEMENT OF THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT;2 THE ADVANCEMENT OF THE EDUCATION OF THE PUBLIC WITH PARTICULAR REFERENCE TO THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT;3 THE PROMOTION OF SUSTAINABLE DEVELOPMENT BY:(A)THE PRESERVATION, CONSERVATION, AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF RESOURCES;(B)THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC GROWTH AND REGENERATION;SUSTAINABLE DEVELOPMENT MEANS DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS.

Activities: Environmental Defense Fund Europe seeks - 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- promotion of sustainable development

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Austria
- Belgium
- Germany
- Italy
- Netherlands
- Norway
- Poland
- Portugal
- Spain
- Sweden
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£3,050,422	£3,103,618	£225,422	15
2023-09-30	£9,302,994	£9,844,847	£179,547	43
2022-09-30	£5,851,421	£5,789,185	£721,400	25
2021-09-30	£4,063,928	£4,002,293	£636,504	20
2020-09-30	£3,765,824	£3,790,091	£597,529	15

Trustees

Name	Role	Appointed
Carl Ferenbach	Chair	2014-09-15
Andrea Monge		2020-11-19
LORD BRIAN GRIFFITHS		2018-09-12
Lance West		2018-09-12
Peter David Harrison		2024-09-30
Sean Cook		2024-09-30

Accounts

Environmental Defense Fund UK
Annual Report and Financial Statements
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Charity number: 1164661
Company number: 09217493

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Reference and Administrative Information

Board of Trustees

Registered Office	10 Queen Street Place London, England EC4R 1BE
Company Registration Number	09217493
Charity Registration Number	1164661
Independent Auditor	BDO LLP Central Square, 29 Wellington Street, Leeds, LS1 4DL
Banker	Citibank 33 Canada Square London E14 5LB

Environmental Defense Fund UK Report of the Trustees for the year ended 30 September 2024

The Trustees are pleased to present their annual director's report together with the financial statements of the charitable company for the year ended 30 September 2024, which are also prepared to meet the requirements for a director's 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" (the "Charities SORP").

The financial statements are presented on an entity-only basis.
Stichting Environmental Defense Fund Europe based in Netherlands is an affiliated company to EDF UK. Environmental Defense Fund UK and Stichting Environmental Defense Fund Europe (EDF Europe) are subsidiaries of Environmental Defense Fund Incorporation, EDF Inc.

Objective & activities

The objectives 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 reference to the conservation, protection and improvement of the physical and natural environment.
    - Promotion of sustainable development by:
    - Preservation, conservation, and the protection of the environment and the prudent use of resources.
    - Promotion of sustainable means of achieving economic growth and regeneration.
    - Sustainable development means "development which meets the needs of the present without compromising on 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.

Achievements and performance

Activities are organised by focus area. At the top of each focus area section, work which is geographically situated in the UK, or led by a UK-based team member is highlighted. This is followed by the regional activities, to which all UK-based work contributes.

ENERGY

Reducing Methane Emissions

Activities facilitated through UK-based operations

In May, EDF Chief Scientist Steven Hamburg presented before the UK House of Lords Environment and Climate Change Committee's hearing on methane, stressing the urgent need for a comprehensive global index for methane emissions from all oil and gas production to slow change. His testimony subsequently led to EDF’s MethaneSAT being referenced in the Committee’s official report.

As the European regulation to reduce methane emissions from the energy sector moves into the critical implementation phase, the UK-based team were instrumental in regional work, including;

- securing a joint BMWK-EUIKI grant, which will continue to fund our work in this area in Romania and Czechia.
- coordinating the first-ever Science Day in our Brussels office, bridging the science-policy gap and bringing together stakeholders around the topic of Earth Observation. Speakers included former European Space Agency Astronaut Paolo Nespoli and Director-General of DG Energy at the European Commission, Mathew Baldwin.
- coordinating the team’s work on co-hosting a policy discussion and exhibition stand at the European Sustainable Energy Week, featuring EDF policy and science experts and high-level speakers from the IEA, the European Commission, the Belgian Government and others.

Complementary activities in the broader region

The European Union adopted its first regulation to reduce methane emissions from the energy sector in May. EDF's science-based advocacy played a crucial role in putting this issue on the agenda of EU lawmakers and improving the legislative text through our science-based advocacy. As a result, the legislation includes many of the provisions that EDF championed. Most notably, Parliament and Council agreed to cover not only emissions from domestic production but also emissions associated with imported oil, gas and coal.

The EU and its Member States have now entered the critical implementation phase, where all Member States will need to ramp up their efforts. In addition to elements still to be defined at the EU level before 2030, such as the methane performance standard, Member States are responsible for ensuring sound implementation of the regulation and compliance by operators and importers.

EDF Europe is continuing to provide science-based expertise to all involved stakeholders at EU level as well as in selected Member States to support a swift and ambitious implementation of the new rules. We have maintained close engagement with European policymakers, including direct conversations with the European Commission, where we have established a trusted relationship. As the focus shifts to Member States, we have launched a series of policy papers, produced by the German Ecologic Institute, aimed at guiding national governments through the next steps. These efforts are essential as we expand our network of Civil Society Organisations across the EU to mobilise public awareness around methane and build political pressure locally.

Towards the end of 2024, we actively supported the preparation of the upcoming release of the IMEO Data platform (due to COP), making sure the vision and content is scientifically sound and strategically aligned with what is required by multiple users, including stakeholders like the European Commission.

With the methane data revolution gaining momentum, we are seeing increased interest from European stakeholders in our work. For instance, initial images from MethaneSAT garnered interest across the EU, adding to the anticipation for full methane transparency in 2025.

Building the basis for widespread data uptake and accountability amongst policymakers and industry, we have established ourselves as a credible voice and trusted partner with EU Institutions, Member State governments and Civil Society Organisations across Europe. We will continue leveraging these partnerships, particularly with national NGOs in Member States, to ensure an adequate level of ambition in the implementation of this regulation underpinned also by our solid satellite data.

Additional key 2024 achievements

The EU adopted a new law to reduce emissions from the energy sector, which EDF Europe has been actively shaping over the past two years through science-led advocacy and communications, contributing to its ambition.
As the regulation moves into the critical implementation phase, we have secured a joint BMWK-EUIKI grant which will continue to fund our work in this area in Romania and Czechia.

We contributed to the G7 outcomes by recommending language on methane, which was taken up in the G7 outcomes to reduce methane emissions, and joined a high-level panel discussion alongside the Head of the Italian G7 delegation for Energy and Environment and Italy's Special Envoy for Climate.

Alongside other NGOs, we were part of the announcement of a new Methane Abatement Partnership Roadmap launched at COP29 by the European Commission, set to further accelerate methane reduction.

The joint effort between EDF and DUH of launching a European Civil Society Observatory on Methane Emissions was highlighted at COP29 by European Commissioner for Energy Kadri Simson. This initiative will be monitor and advocate for methane emissions reductions by harnessing independent data from advanced sources, including satellites, and engage national and regional organisations to empower citizens and civil society to demand transparency and methane abatement.

In Italy we hosted a high-level roundtable discussion involving key stakeholders from government, industry, and academia. Our commentary on the country's National Energy and Climate Plan received significant attention in the national media and organized a high-level roundtable discussion in Rome, contributing to the increasing engagement around MethaneSAT and the role of Earth Observation for climate action.

Getting Hydrogen Right

Activities facilitated through UK-based operations

In June, visibility on EDF's work on hydrogen was greatly enhanced by EDF's participation in the 2024 Financial Times Hydrogen Summit in London. The summit elevates discussions enabling the transition to a low-carbon energy system and is highly regarded within the field.

As the European regulation to reduce methane emissions from the energy sector moves into the critical implementation phase, the UK-based team were instrumental in contributing to regional work, including;

- **Awareness raising in Member States:** We further strengthened awareness of policy makers around issues concerning the production, management and use of hydrogen in some key Member States (Italy, Germany and the Netherlands). As part of these efforts, we spoke at a high-level hydrogen event in Italy, launched a report in collaboration with the Research Institute for Sustainability Helmholtz Centre Potsdam (RIFS) looking at policy entry points for controlling hydrogen emissions in the specific German context and convened 40+ key Dutch stakeholders to jointly discuss measures needed to maximise the climate benefits of hydrogen in the Netherlands.
- **Outreach and engagement:** We secured a coveted speaking slot at European Hydrogen Week, a major hydrogen event in Brussels, resulting in significant interest in our forthcoming measurement campaign. Concurrently, our successful media engagement strategy helped us gain more visibility, which includes articles on hydrogen emissions, quotes in influential media outlets and several podcasts.

Complementary activities in the broader region

With the adoption of the gas market package in May 2024 both European legislative acts (a directive and a regulation) have now passed the finish line and entered into force in August 2024, which makes the dedicated EU hydrogen regulatory framework nearly complete. Unlike the original proposals of the European Commission, the adopted acts contain multiple references to the climate impacts of hydrogen emissions, reflecting our science to policy advocacy in this space and providing helpful entry points for our advocacy moving forwards. Our efforts in the last months of 2024 largely focused on the main outstanding European policy file, which will set out the methodology for calculating GHG emissions savings from low-carbon hydrogen. This is more than just a low-stakes technical step. If done right, it could significantly advance the EU's decarbonisation agenda, showing the 'Green Deal in action'. The details matter because this act will lay the foundation for Europe's hydrogen industry and shape how effectively the EU meets its climate goals.

We have also continued and expanded our activities in Member States, which now covers Italy and Germany, in addition to the Netherlands. Through our work with local partners, we have raised awareness of the climate impacts of hydrogen emissions across multiple stakeholder groups, including public and private decision-makers. We have also made efforts to shape the relevant national policies in those countries, including by responding to public consultations.

The arrival of the new hydrogen sensor to Europe earlier this year marked an important milestone in our hydrogen emissions measurement campaign. The preparatory work, which has largely happened in the background, is reaching its final stages, and it will be followed by the formal kick-off of the campaign most likely in 2025. However, these upcoming pilots have already triggered significant interest, including from EU policymakers who consider this work as a source of critical evidence that could further shape the regulatory framework.

Additional key 2024 achievements

- **Influencing EU legislation through science-based advocacy:**
  Further to our outreach to EU decision makers with our science team, the climate impacts of hydrogen emissions have been acknowledged in the recently adopted EU hydrogen regulatory framework, which will play a key role in shaping the rollout of hydrogen systems in the EU.

TRANSPORT

Enhancing our Approach to EU Transport

Activities facilitated through UK-based operations

In March, we published an air quality monitoring study from London which revealed important traffic congestion effects on emissions from diesel vehicles, particularly certain buses. We have been in contact with Transport for London to discuss the findings and to deploy them to quickly reduce the disproportionate impact of certain diesel vehicles by rerouting them out of congested areas.

Regarding maritime shipping, EDF used its consultative status of the International Maritime Organization with multiple interventions, submissions and presentations at the March MEPC 81 negotiations on GHG measures which contributed to the Committee’s report and resulted in interest from various delegations in EDF’s research on ports and hydrogen in London. Based on a study published with researcher from CE Delft, EDF has also been advocating for increased transparency and accessibility to the Carbon Intensity Indicator (CII) and Data Collection System (DCS) at MEPC 82 in October, and spearheaded a successful advocacy campaign in the EU for the inclusion of the CII in the Port State Control Directive, which led the European Parliament to include the CII in the Directive’s review clause in its negotiating position.

Complementary activities in the broader region

EDF Europe has continued to engage on lowering road freight emissions which represent a disproportionate share of road emissions. First, we published guidance for cities to set up urban freight partnerships to work with all stakeholders to implement low-emission and last-mile freight strategies in cities across Europe. Additionally, we hosted a workshop with all industry actors at the Reuters Sustainable Road Transport Forum 2024 to build connections across sectors and share ideas about how to unlock financing for low-emission vehicles in the long-distance freight sector. We have also worked with Girteka, one of the largest long-distance freight companies in Europe to understand and highlight their challenges and successes on the road to decarbonization, including in a social media campaign.

EDF submitted and presented findings of its analysis on the proposed global GHG pricing mechanisms being negotiated at IMO. The submission analyses implications of a universal price on emissions and showcases how such pricing mechanisms that raise sufficient revenues can both deliver on IMO targets and its vision of promoting a just and equitable transition.

On the aviation side, EDF Europe has participated in the European Commission's Expert Group on Climate Change Policy in aviation since February 2024. The Expert Group has focused on implementing recent changes to the EU Emissions Trading System (ETS). Key efforts include the ETS-financed Sustainable Aviation Fuels (SAF) support delegated act, and the non-CO2 climate impacts implementing act, which establishes MRV rules as a crucial steppingstone towards potential legislative measures in 2028. Other key priorities include ICAO CORSIA implementation details, such as route coverage and offsetting criteria. We have provided input to the European Commission on SAF production costs, including recent data on e-fuels and monitored discussions to inform broader strategies beyond the ETS. This includes addressing non-CO2 climate impacts through jet fuel regulation to mitigate soot emissions.

Additional Key 2024 achievements

- Publication of influential Carbon Intensity Indicator study to influence EU positioning on this issue within International Maritime Organisation (IMO) as well as to influence the development of domestic EU shipping policy. EDF continued its collaboration with CE Delft to submit a document to MEPC 82. The submission reviewed the IMO Data Collection System in the context of the upcoming CII revision and previous MEPC discussions. The revision of CII provides a chance to improve accessibility to CII ratings, benefits of which are improved decarbonization incentives and broader data utilization to monitor climate performance. The full report on this issue is due to be published early 2025.
- EDF presented the findings of its Sustainable First Mover Initiatives Tool report at the IMO during MEPC 81. The presentation was well-attended and garnered further engagement from stakeholders including the European Commission.
- EDF's Hydrogen science paper was officially included by MEPC for consideration by a newly formed expert group on lifecycle emissions accounting guidelines.
- Publication of guidance for cities to set up urban freight partnerships to work with all stakeholders to implement low-emission and last-mile freight strategies in cities across Europe. This is an important support document to cities which often lack capacity to engage on this important area Securing a spot on the European Commission's Expert

Group on Climate Change Policy in Aviation, allowing us to participate and influence future policy in this space.

AGRICULTURE

Advancing Climate Smart Agriculture

Activities facilitated through UK-based operations

EDF's work on advancing climate smart agriculture is greatly enhanced through the support of UK-based operational team members, as detailed at the end of this report.

Complementary activities in the broader region

The European political farming context in the EU changed drastically in 2024 after protests rocked capitals leading to a hurried reversal of some Green Deal mandatory standards within the Common Agriculture Policy (CAP). Elections in summer returned to the European Commission and European Parliament which are poised to re-orient the new EU mandate towards a 'more carrot and less stick' approach. The new Agriculture Commissioner's first task is set to be delivering a 'Vision for Agriculture and Food' based on the Strategic Dialogue on the Future of EU Agriculture report in the first 100 days, to which EDF will contribute.

EDF Europe's pragmatic farmer-centric solutions program allowed it to advocate more prominently in various EC stakeholder policy debates than in the previous polarized scenario. As the new EU mandate started taking shape following EU elections, we built the connections with various partners that will enable us to continue to influence EU policy and action as the role innovation, adaptation and the climate risk for farmers come into sharp focus in Europe.

Additional Key 2024 achievements

- We concluded the first phase of a study on incentives for on-farm methane reduction within the CAP in 5 key livestock-producing Member States, that will be used in our dairy corporate engagement advocacy as the new Commission mandate kicks off in 2025. At national level, we studied the financing challenges of specific on-farm methane solutions to inform our advocacy with banking stakeholders in Ireland and concluded the activation of a project in the framework of a Climate KIC / DAFM dairy sustainability portfolio intended to kick off with Tipperary dairy-coop farmers in 2025.

- Building upon the success of EDF's Dairy Methane Action Alliance launch at COP28, in 2024 we worked with EIT Food and EU-headquartered DMAA companies to start convening dairy companies for joint advocacy and action for methane reduction. In December a co-hosted webinar brought together leading dairy corporates in the EU with academic institutions working on agricultural methane projects, to explore accelerating co-financing possibilities to scale up impactful on-farm methane solutions
- We've brought EDF's scientific insights on soil carbon and emissions after being selected by the European Commission as expert contributors in a project on incentivizing action for a sustainable and competitive agri-food value chain through voluntary/compliance or an Agriculture ETS. As the role of 'carbon farming' in providing new revenue streams for farmers is becoming increasingly prevalent in EC plans for MRV, EDF joined the steering group of the International Soil Carbon Research Network led by INRAE to bring its soil carbon science perspectives.

Sustainable Finance

<u>Activities facilitated through UK-based operations</u>

The change of UK government in 2024 provided us with the opportunity to work with other civil society organisations to advocate for better sustainable finance policies. In June we co-authored a joint policy brief with other UK CSOs calling for the new UK government to develop an ambitious agenda to unlock sustainable finance. We have also been jointly advocating for the UK government to bolster the remit letters it sends to the Bank of England and the Financial Conduct Authority. As a result of our efforts, the UK government published revised remit letters in November with strengthened references to climate change and – for the first time – references to nature.

Improving the flow of sustainable finance towards EDF Europe's key sectors is central to the Europe team's work.

- Shipping finance: we produced a report on the key barriers impeding the flow of sustainable shipping finance and the challenges and pathways to address them. Over 160 attendees registered to attend the report launch webinar. We have now entered a partnership with Lloyd's Register Maritime Decarbonisation Hub and co-hosted an in-person workshop in London at the IMO with over 30 senior-level participants from the financial sector, shipping companies and policymakers to discuss key issues and to collaborate to develop solutions.

- Energy transition: With our science colleagues, we ran a London investor roadshow on MethaneSat with where we discussed the implications of MethaneSat for investors and the findings of our Missing Methane report, which highlights the gaps in banks' understanding of methane emissions in their oil and gas portfolios. We were also invited by the Net Zero Banking Alliance (an UN-convened grouping of banks) to host a webinar on our methane-related work, which had over 70 people in attendance and strong audience engagement.
- Hydrogen: we worked with the hydrogen team to contribute to the European Clean Hydrogen Alliance's learn book on hydrogen infrastructure financings and to respond to the EU Hydrogen Bank consultation on its terms & conditions for its next auction round. We held meetings with banks who were members of the Hydrogen Council to influence their thinking around the draft ISO hydrogen standards for greenhouse gas emissions reductions.

Complementary activities in the broader region

There has been considerable international momentum – led by Europe – on sustainability disclosures to ensure greater transparency over the sustainability credentials of corporates. The Sustainable Finance team has continued to advocate for strong European sustainability reporting standards via its work with EFRAG, the European Financial Reporting Advisory Group. Additionally, the team has collaborated with EDF colleagues in the India and Food & Forests team to translate European learnings on disclosures globally.

Additional Key 2024 achievements

  - Building our credibility and reputation in the shipping finance space through the report and convenings. This has culminated in a workshop in London with over 30 senior experts from policymakers and the shipping and finance industries to collaborate on solutions.

- Further to our outreach, in November, the UK government published revised remit letters for the Bank of England and the Financial Conduct Authority strengthening the references to climate change and including – for the first time – references in nature.
- Joint work with the India team on climate risk disclosures including publishing a joint op-ed in the Economic Times.
- Increasing financial sector awareness of the role of banks in driving methane emission reductions in oil & gas and the importance of MethaneSat.

Environmental Justice

Activities facilitated through UK-based operations

EDF's work on advancing climate smart agriculture is greatly enhanced through the support of UK-based operational team members, as detailed at the end of this report.

Complementary activities in the broader region

We completed an unprecedented landscape analysis of the European state of play of just transition policy, politics, and main actors at European level and in seven key Member States. The analysis includes key risks and opportunities for EDF to engage in this area of policy as determined through interviews with over 100 stakeholders at EU level and in the key Member States, including policy makers, grassroots organizations, and academia. Given the increasing salience of social backlash to climate policy, this critical work should help us to better position ourselves and engage in effective climate policy across all our focus sectors.

After completing a scoping of environmental and climate justice and just transition issues in Europe in June 2024, the team began scoping funding opportunities and developing project ideas resulting from that work as well as developing materials for internal dissemination of the results.

Strengthening our impact

Net Zero Accelerator: We highlighted the stories of European companies which are successfully decarbonizing while building flourishing businesses. We published a collection of case studies from across different sectors, including video focus segments on 3 key businesses. These case studies are building the case that there is no trade-off between climate action and business success. We also held a well-received roundtable with policy makers and influencers and these businesses ahead of the next European Commission to build bridges and learn policy lessons from their successes and challenges.

Innovation/Industrial Decarbonisation: We funded a major research report by Reform Institute and Climate Strategies, *Race to the Top for Climate: Transatlantic Cooperation for a Globally Inter-operable Industrial Transition*. It provides an exhaustive stock take of current and expected gaps and opportunities for EU-US engagement in industrial decarbonisation. This work aims to inform future engagement between EU and US decision-makers and stakeholders, and to help identify the most productive avenues for transatlantic cooperation towards a clean economy transition while avoiding destructive competition and protectionism. We launched the report with an online event bringing high-level decision makers from both sides of the Atlantic together.

ORGANIZATIONAL EFFECTIVENES

In addition to mission work, UK-based team members are instrumental in maintaining the operational effectiveness of the organization. UK-based team members are working on HR, IT, Comps & Bens, Finance, Development and Project Management to support the UK and regional focus areas and to drive excellence in their fields.

Financial review

Expenditure

EDF UK's direct expenditure for the year ended 30 September 2024 totalled £3,104k (*2023:* £3,223k*).* Of the total expenditure, was considered unrestricted £3,104k (*2023:* £3,207k) and was subject to donor restrictions £Nil (*2023:* £16k).

Income

EDF UK receives intercompany grants and funding to finance its activities. We maintain a restrictive government and corporate donations policy that ensures our objectivity, aligns with our commitment to non-partisanship, and allows EDF UK to make its work freely available to ensure its widest possible adoption.

EDF UK received a total income of £3,050k (*2023:* £2,860k*)* for the year ended 30 September 2024. This included unrestricted funds of £3,050k (*2023:* £2,844k), and of funds that were subject to a restriction on usage is zero (*2023:* £16k*).*

EDF UK ended FY2024 with a financial result of £53k loss compared to a £363k loss in FY2023.

Total funds at the end of FY2024 are £225k (*2023:* £279k*).* All net assets held were considered unrestricted.

Reserves policy

EDF UK has secured the continued backing of the US-based parent EDF Inc, for the period under review. This support takes the form of a signed guaranteed agreement covering all costs, and a signed guarantee covering any losses that EDF UK is unable to meet. Having the guarantee in place, EDF UK does not maintain a reserve policy per se.

Going concern

As of the date of signing these financial statements, the Trustees' forecasts indicate that EDF 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 charity's going concern assessment.

EDF 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 EDF Inc. This letter demonstrates that EDF Inc. has a legal obligation to cover the shortfalls up to June 2026. The Trustees have made suitable inquiries and considered the charity's forecasts, including cash flow, updated in the context of the global challenges, 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.

Fundraising

EDF UK seeks to raise funds from individuals, foundations and relevant Government grant making programs. EDF UK 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 UK.

Structure governance and management

Governing document

EDF UK is a company limited by guarantee under the Companies Act 2006 and incorporated in England and Wales. EDF Inc New York not-for-profit organization 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 UK in the event of its being wound up while it is the Member or within one year after it ceases to be the Member.

Decisions regarding EDF UK 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 UK's Trustees; however, work in these suggested areas will be undertaken only if the Trustees of EDF UK decide that it will further EDF UK 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.

The workforce remuneration and key management personnel salaries are reviewed against market pay data. Our remuneration policy ensures workforce pay is within the appropriate market benchmark, parameters, and criteria against the UK charity and not for profit sector.

Statement of Trustees' responsibilities

The trustees, who are also directors of the Charity for the purpose of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board of Trustees:

Carl Ferenbach (Chairman)
Date: 25 June 2015

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 auditor is unaware.

The Trustees who were in office at the date of approval of these financial statements have confirmed that, as far as they can reasonably ensure, all relevant audit information has been provided to the auditors; and the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

By order of the Board of Trustees:

Carl Ferenbach (Chairman)
Date: 23 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIRONMENTAL DEFENSE FUND UK

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 September 2024 and of its incoming resources and application of resources for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Environmental Defense Fund UK for the year ended 30 September 2024 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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 Charity in accordance with the ethical requirements 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other matter

We draw attention to note 1.1 to the financial statements, the amounts presented in the Statement of Financial Activities and Statement of Cash Flows as comparative information for the Charity do not appear in a publicly available, audited set of financial statements for the Charity. Our opinion is not modified in respect of this matter.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 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 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Charity, or returns adequate for our audit have not been received from branches not visited by us; or

- the Charity 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; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charity and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Charity's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the applicable accounting framework, UK GAAP, the Companies Act 2006 and Charity SORP.

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incidents register.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charity's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and validity of professional fees.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing validity of professional fees with reference to supporting documentation; and
- Assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Charity'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 Charity'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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Sarah Anderson
911B7AE40D374FC...

Sarah Anderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds, UK

Date: 25 June 2025

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

Environmental Defense Fund UK
Statement of Financial Activities
For the year ended 30 September 2024

	Note	Unrestricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:						
- Climate initiatives	**2**	3,050,422	**3,050,422**	2,843,792	16,188	2,859,980
Total income		3,050,422	**3,050,422**	2,843,792	16,188	2,859,980
Expenditure on:						
Charitable activities:						
- Climate initiatives	**3**	3,103,618	**3,103,618**	3,206,813	16,188	3,223,001
Total expenditure		3,103,618	**3,103,618**	3,206,813	16,188	3,223,001
Net (expenditure) income for the year		(53,196)	**(53,196)**	(363,021)	-	(363,021)
Reconciliation of funds:						
Total funds brought forward		278,618	**278,618**	641,639	-	641,639
Current year result		(53,196)	**(53,196)**	(363,021)	-	(363,021)
Total funds carried forward		225,422	**225,422**	278,618	-	278,618

All of the above results are derived from continuing activities.

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

The notes on pages 26 to 36 form part of these financial statements.

Environmental Defense Fund UK
Balance Sheet
As at 30 September 2024

Company registration no. 09217493

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets:					
Tangible assets	8	9,928		44,992	
			9,928		44,992
Current assets:					
Debtors	9	196,187		663,968	
Cash at bank		166,123		104,459	
		362,310		768,427	
Liabilities:					
Creditors: amounts falling due within one year	10	(146,816)		(509,404)	
Net current assets			215,494		259,023
Total assets less current liabilities			225,422		304,015
Provisions and long term liabilities			-		(25,397)
Total net assets			225,422		278,618
Funds					
Restricted funds			-		-
Unrestricted funds			225,422		278,618
Total funds			225,422		278,618

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 23 June 2025
and signed on their behalf by:

Name: Carl Ferenbach (Chairman)

Environmental Defense Fund UK
Statement of Cash Flows
For the year ended 30 September 2024

	2024	2023
Cash flows from operating activities	**£**	£
Net expenditure for the year	**(53,196)**	(363,021)
Amortisation charge	**-**	2,904
Depreciation charge	**35,065**	21,363
Decrease/(increase) in debtors	**467,780**	(512,691)
(Decrease)/increase in creditors	**(362,589)**	97,245
Increase/(decrease) in provisions	**(25,396)**	15,685
Net cash provided by /(used in) operating activities	**61,664**	(738,515)
Cash flows from investing activities		
Purchase of tangible fixed assets	**-**	(9,710)
Net cash provided by/(used in) investing activities	**-**	(9,710)
Net increase/(decrease) in cash and in cash equivalent	61,664	(748,225)
Cash and cash equivalents at the beginning of the year	104,459	852,685
Cash and cash equivalents at the end of the year	166,123	104,459

The notes on pages 26 to 36 form part of these financial statements.

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. These financial statements are prepared in Great British Pounds.

1.1 Basis of de-consolidation

As of the fiscal year ending 30 September 2024, EDF UK's financial statements have been prepared on an entity-only basis. In the prior period the financial statements were presented on a consolidated basis.This entity-only approach has been adopted because EDF UK does not exercise control over Stichting Environmental Defense Fund Europe and the prior period financial statements were consolidated in error. Accordingly, the Comparative Balance Sheet, Statement of Financial Activities, and Cash Flow Statement are presented for EDF UK only. As a result, the amounts presented in the Statement of Financial Activities and Statement of Cash Flows as comparative information do not appear in a publicly available, audited set of financial statements for the Charity.

1.2 Going concern

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 2026. The trustees have made suitable inquiries and considered the charity's forecasts, including cash flow, updated in the context of the global challenges 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.

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

Cash at bank 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.

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.

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
- Office equipment - 20% -33,3% 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.

2 Income from charitable activities

	Unrestricted	**2024 Total**	2023 Total
Climate initiatives	£	**£**	£
EDF Inc.	3,044,523	**3,044,523**	2,834,478
Oceano Azul Foundation (restricted)	-	-	16,188
Other Donations	5,899	**5,899**	9,314
Total for climate focused initiatives	3,050,422	**3,050,422**	2,859,980

Analysis of turnover by country of origin	**2024 Total**	2023 Total
	£	£
Rest of Europe	-	16,188
Rest of the world	3,050,422	2,843,792
	3,050,422	**2,859,980**

3 Analysis of charitable expenditure for 2024

	Charitable activities			
	Direct costs	Support costs	Governance costs	2024 Total
	£	£	£	**£**
Staff costs	1,571,914	-	-	**1,571,914**
Professional fees	505,847	-	-	**505,847**
Staff travel	32,492	-	-	**32,492**
Rent	-	725,051	-	**725,051**
Office costs	-	20,341	-	**20,341**
Meetings	-	1,025	-	**1,025**
Subscriptions	-	45,929	-	**45,929**
General administration	-	54,829	-	**54,829**
Audit fees	-	-	64,547	**64,547**
Forex loss	81,643	-	-	**81,643**
	2,191,896	**847,175**	**64,547**	**3,103,618**

Analysis of charitable expenditure for 2023

	Charitable activities			
	Direct costs	Support costs	Governance costs	2023 Total
	£	£	£	**£**
Staff costs	1,759,875	-	-	**1,759,875**
Professional fees	583,716	-	-	**583,716**
Staff travel	73,384	-	-	**73,384**
Rent	-	377,105	-	**377,105**
Office costs	-	24,575	-	**24,575**
Meetings	-	15,999	-	**15,999**
Subscriptions	-	41,342	-	**41,342**
General administration	-	144,263	-	**144,263**
Audit fees	-	-	58,896	**58,896**
Forex loss	143,846	-	-	**143,846**
	2,560,821	**603,284**	**58,896**	**3,223,001**

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.

Of the total expenditure incurred in 2024, £3,103,618 was 0 restricted.
Of the total expenditure incurred in 2023, £3,223,001 was £16,188 restricted.

4 Expenditure for the year

This is stated after charging:	**2024**	2023
	£	£
Operating lease rentals:		
- Property	**725,050**	570,376
Depreciation	**35,065**	21,363
Amortisation	**-**	2,904
Auditor's remuneration:		
- Audit fees	**64,547**	58,896

5 Analysis of staff costs

Staff costs were as follows:	**2024**	2023
	£	£
Salaries and wages	**1,250,378**	1,103,648
Social security and pension contributions	**241,467**	336,297
Other staff costs	**80,070**	319,930
	1,571,915	1,759,875

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

	2024	2023
	No.	No.
£60,000 - £69,999	2	1
£70,000 - £79,999	1	-
£80,000 - £89,999	3	1
£90,000 - £99,999	-	-
£100,000 - £109,999	-	-
£110,000 - £119,999	-	1
£120,000 - £129,999	2	1
£130,000 - £139,999	-	1
£140,000 - £149,999	-	-
£150,000 - £159,999	-	-
£160,000 - £169,999	-	1

Key management personnel, namely Vice President, Regions and Chief Executive Officer, Europe are employed by Stichting EDF Europe. They provide their services to EDF UK on a donated services basis. The value of the donated services for the reported fiscal year is estimated as GBP 28,680.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year w

	2024	2023
	No.	No.
EDF UK	15	15
	15	**15**

7 Taxation

EDF UK is exempt from corporation tax and value-added tax.

8 Tangible fixed assets

	Office equipment	Fixtures and fittings	Fixed assets in progress	**Total 2024**
Cost	£	£	£	**£**
At the start of the year	95,250	21,588	9,711	**126,549**
Additions in year	9,711	-	(9,711)	**-**
At the end of the year	104,961	21,588	-	**126,549**
Amortisation				
At the start of the year	66,085	15,471	-	**81,556**
Charge for the year	31,107	3,958	-	**35,065**
At the end of the year	97,192	19,429	-	**116,621**
Net book value				
At the end of the year	**7,769**	**2,159**	-	**9,928**
At the start of the year	**29,164**	**6,117**	**9,711**	**44,992**

9 Debtors

	2024	2023
	£	£
Amounts owed by group undertakings	**185,404**	615,186
Prepayments	**10,783**	48,781
Total Debtors	**196,187**	663,967

10 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**39,536**	313,078
Other creditors	**34,729**	116,024
Accruals	**72,551**	80,302
Total Creditors	**146,816**	509,404

The pension liability of EDF UK is £ 13,715 (2023: £14,803).

11 Operating lease commitments

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

	2024	2023
	£	£
Less than 1 year	**-**	712,346
Total	-	712,346

On 10 May 2024, EDF UK has entered into London office lease surrender agreement.
Consequently, all future commitments have been paid off in May 2024.

12 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.

13 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from the related parties.
During the year the organisation received a grant of £3,044,523 (2023: £2,834,478) from EDF Inc.
The inter-company balance due to EDF Inc.is £745,304.
EDF Europe and EDF UK were not involved into inter-company transactions during the reporting period. Movement during the period relates to foreign exchange difference between 2023 and 2024. The inter-company balance due from EDF Europe is £943,984 (2023 £1,310, 213). The inter-company balance due to EDF Europe is £5,368 (2023 £380,830).

During the reported year, Mr. Roland Kupers, a board member of EDF UK and of Stichting EDF Europe, was Mrs. Andrea Monge, a board member of EDF UK and of Stichting EDF Europe, is the CEO of ISPD. ISPD rents out a part of EDF New York office via its subsidiary Digilant.

In June 2024 Advisory Council meeting has taken place in Brussels. Following the meeting Mr. Roland Kupers and Mrs. Andrea Monge participated in the dinner event with EDF Europe management. Personal benefit of each is estimated up to Euro 60.

Accounts

Environmental Defense Fund UK
Annual Report and Financial Statements
Year ended 30 September 2023
Charity number: 1164661
Company number: 09217493

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Reference and Administrative Information

Name change	On 7th December 2022, Environmental Defense Fund was renamed to Environmental Defense Fund UK (EDF UK)
Other Names	Environmental Defense Fund Europe (former name), Environmental Defense Fund Ltd (former name), Environmental Defence Fund Europe/UK (former name)
Board of Directors	Carl Ferenbach (Chairman) Lord Brian Griffiths Ravi Gurumrthy Connie Hedegaard Mark Heising Roland Kupers Andrea Monge Hannah Ryder Jens Dag Ulltveit Moe Lance West
Registered Office	3rd Floor 41 Eastcheap London EC3M 1DT
Company Registration Number	09217493
Charity Registration Number	1164661
Independent Auditor	BDO LLP Central Square, 29 Wellington Street, Leeds, LS1 4DL
Bankers	Citibank 33 Canada Square London E14 5LB

Environmental Defense Fund UK Report of the Trustees for the year ended 30 September 2023

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 September 2023 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" (the "Charities SORP").

The financial statements are made on a consolidated basis and include EDF UK and its affiliated entity Stichting EDF Europe (EDF Europe). EDF UK (Parent Charity) and EDF Europe may be collectively referred to as EDF and/or Group. EDF UK and EDF Europe are subsidiaries of Environmental Defense Fund Incorporation (EDF Inc).

The objectives of EDF UK are for the public benefit to promote:

- The advancement of conservation, protection, and improvement of the physical and natural environment.
- The advancement of the education of the public with reference to the conservation, protection, and improvement of the physical and natural environment.
- 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.
    - Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

The Trustees of EDF UK 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.

2023 overview

The geopolitical landscape in Europe has become ever more complex in 2023. While European leaders have been keen to try and demonstrate that they can deal with multiple international crises simultaneously, closer to home, the remaining elements in the European Union's (EU's) Green Deal have faced a few ups and downs due to political headwinds. Nonetheless, EDF achieved a couple of significant successes in Europe.

The EU's flagship Green Deal, launched in 2019, has shaped many of the policies of this Commission mandate. While several of the key pieces of legislation needed to bring the Green Deal to life have now been adopted, its progress during 2023 has been something of a rollercoaster ride, with numerous ups and downs in environmental policy making, including the weakening of some legislation. Other elements have been officially withdrawn, with the hope that the next Commission mandate will pick up the mantle to tackle areas like the sustainable food strategy for example. Of course, even for those elements that have been adopted, the benefits will only come to life through implementation on the ground.

Working against this background of political volatility, it has become clearer than ever that leaning into EDF's combination of pragmatism and evidence-based advocacy is serving us well. During the course of this year, we refreshed our vision and strategy for our European work. We have identified three key approaches that make our work in Europe particularly impactful across our work in energy transition, mobility and food and agriculture. These are i) our strong scientific credentials; ii) our ability to meaningfully engage with corporates; and iii) our global footprint, with particular emphasis on EDF's 'anchor' regions in the USA, China, and India in addition to Europe.

We have wasted no time in bringing our refocused vision to life and have taken advantage of moving to a new office premises in Brussels to consciously position ourselves to bridge the science to policy gap, hosting science-led conversations, for example on soil carbon measurement and hydrogen emissions.

Goals and Achievements

<u>Reducing Methane Emissions</u>

Two key facts demonstrate the importance of our focus on reducing methane emissions. Firstly, cutting methane is the fastest way to slow global warming. Secondly, the EU is the world's largest importer of fossil fuels. The EU's proposal for a Methane Regulation to limit energy sector methane emissions therefore provided the opportunity to drive meaningful change in this space.

Working hand in hand with our scientists, EDF's team in Europe played a critical role in strengthening the draft EU Methane Regulation through countless direct engagements with policymakers, public events, and increasingly strong relationships with other leading NGOs, both at the EU level and in member states. Our major communications campaign during the negotiation phase established EDF as a trusted source of science-based policy recommendations.

As we look to the future, measuring progress made in methane reduction within the EU and its supplier countries will be critical. Methane-tracking technologies, including MethaneSat will be crucial for the next stage, to measure progress made on methane reduction, both within the EU and its supplier countries. We will be continuing to build on this work in the year ahead.

2023 achievements

- We ramped up campaigning efforts towards the European Parliament and the EU Council, amplifying both EDF experts' and external stakeholders' voices to push for stronger EU rules. Our campaign was widely visible in Brussels on billboards, through social media, and in prominent news outlets including POLITICO Europe and Euractiv – driving traffic to our campaign page CutMethaneEU.org.

- Our #CutMethaneEU campaign with the agency Fourtold drew positive attention and has been shortlisted for an award for the European Excellence Awards 2023.

- In addition to targeted outreach including more than 100 policymaker meetings, we participated in more than twenty public events with high level participants including Executive Vice President of the European Commission, Frans Timmermans, and numerous high-level events in the European and national Parliaments. We also worked with ten leading EU non-profits, and asked the European Parliament to push for ambitious amendments that followed our science-based policy recommendations.

Getting Hydrogen Right

Although hydrogen is widely considered to hold great promise as a decarbonisation strategy, it creates several climate challenges, depending on how it is produced, managed, and used. Our scientists have highlighted research showing that when released through venting, purging or unintended leaks, it increases the concentrations of other greenhouse gases in the atmosphere. Like methane, hydrogen's warming effects are short lived, but very potent. It is more than 35 times more powerful than carbon dioxide over the first 20 years after its release.

There remains, however, relatively limited awareness of these concerns in policy making circles, which is particularly alarming at a time when critical regulatory and infrastructure decisions are being taken. The choices currently being made by policy makers have the potential to shape the energy system and our ability to reach climate neutrality for decades to come.

Our role during 2023 has therefore focused on raising awareness to make sure that we take the necessary steps in Europe to 'get hydrogen right'. We have worked closely with our science team to strengthen science-based advocacy in this space, helping decision makers and other stakeholders understand how to avoid policy pitfalls that might steer investment and climate neutrality efforts in the wrong direction. Our outreach has also helped to recruit European companies for our forthcoming hydrogen emissions measurement campaign. We expect to receive a newly developed hydrogen measurement sensor in Europe in the course of 2024. This will help drive our EU hydrogen advocacy to the next level as we will be able to deliver original, empirical research to critical decision makers in the policy and business worlds.

2023 achievements

- We held multiple awareness raising meetings with prominent and influential EU actors, including high-level EU policymakers, such as the Cabinet of European Vice President Frans Timmermans and MEP Jens Geier as well as senior representatives/politicians from the Netherlands, Germany, Denmark, and the UK.

- Further to our discussions with MEPs we secured a key amendment in the EU Hydrogen and Gas Markets Package, opening the window for the European Commission to evaluate the climate risk of hydrogen leakage and potentially submit a legislative proposal in the new EU mandate to introduce measures to minimise leaks.

- After successfully applying for membership of the European Clean Hydrogen Alliance (ECH2A) task force on imports, we advocated for the appropriate consideration of the climate and wider environmental impacts of hydrogen.

Enhancing our Approach to EU Transport

While Europe has been a front-runner in deploying e-mobility, EU transport emissions remain stubbornly high. Meanwhile, international transport emissions, from shipping and aviation, are projected to increase. This has made it harder for the EU to meet ambitious climate goals, as well as perpetuating bad air quality in cities across the continent.

We focus on those sectors that cannot be directly electrified; where emissions continue to grow; and where our scientific expertise can support balanced decision-making about molecular energy carriers – for ships, for aircraft, and potentially for heavy-duty vehicles. Our shipping work is well advanced; for aviation and heavy-duty vehicles we are scoping new work.

2023 achievements

- We have made good use of our status as an official Observer of the International Maritime Organisation (IMO). Highlights included participating in July's climate negotiations to advocate for a significant increase in ambition aligned with the 1.5C Paris temperature goal, hosting an event to showcase green technologies and organising a call to action by fuel producers and other stakeholders to call on IMO to adopt full life-cycle accounting principles to support the development of truly green fuel alternatives. We also participated in IMO's Sub-Committee on the Carriage of Cargoes and Containers where we discussed our work on the toxicity of ammonia used as shipping fuel and EDF's cutting-edge research on hydrogen leaks and global warming potential.

- We published a study with researchers from CE Delft proposing a practical means of enacting emissions reductions in the EU in the short term through a climate label for shipping (also referred to as a Carbon Intensity Indicator, CII). The study showed that by requiring ships in the EU to reach grade "A" or "B", this could reduce shipping emissions by up to 30%. The study's findings were reported by major transport and energy outlets including Offshore Energy and Trade Winds and were socialized at the European Shipping Summit. A Euractiv panel event in December further explored EU opportunities for shipping decarbonisation through this shipping climate label. This work was also presented to European Non-Governmental Organisations (NGOs), to the European Sustainable Shipping Forum (ESSF) and in August 2023 through the industry press (Bunkerspot) and social media.

Advancing Climate Smart Agriculture

The EU policy context in this space has been challenging during 2023, with rebellion against environmental policy from the agri-food lobby and a bumpy path on food and farming elements of the EU Green Deal.

As a newcomer to this space, we have moved carefully to establish our role, while being convinced of the value that we can add to help drive change in this critical area for climate. In this complex political environment, we have the opportunity to leverage ED F's DNA of bridging the space between science and policy, and between science and corporate ambitions. We see our ability to engage in a positive way with the business sector as a particularly important gap to fill in this space.

We have built on the results of our 2022 multi-stakeholder workshop to start exploring solutions for reducing livestock methane emissions that balance climate action and socio-economic considerations, such as the livelihood and sustainability of food systems. This has meant that our work focuses on promoting a holistic, systems-based approach. It seems clearer than ever that to have real impact, we need to explore 'win-win' solutions for both farmers and the environment. Working with investors and financial institutions and intermediaries to embed sustainability in their activities is also key, along with driving towards a vision of how win-win solutions can be promoted via EU-wide policies, such as CAP-based incentives.

2023 achievements

- In January EDF launched a partnership with Danone, in which EDF will support the company to cut methane emissions in their global operations. In the EU that includes two projects in Belgium and Spain. We are also jointly exploring solutions for financing sustainable practices, such as through blended finance.

- Together with Climate-KIC, we kicked off the co-creation phase for the 'new normal for sustainable dairy' Flagship project as part of the Irish Deep Demonstration project. The aim of the project is to accelerate emission reduction and co-benefits for the environment (water, soil and biodiversity) in dairy farms by using a systems innovation approach, in which existing and new efforts will be supported to identify, test, validate and scale different combinations of actions to overcome barriers and incentivise action across multiple value chain actors in the farming sector. The co-creation phase will last until Spring 2024, and – pending funding – will be followed by a multi-year implementation phase.

- We launched a study in Ireland to identify pathways to increase access to private finance for methane emissions mitigation in the dairy sector. This builds on a study into funding gaps in the agriculture sector by the European Investment Bank. The study uses two illustrative examples, each methane-reducing practices, to test with financial institutions in Ireland what their barriers and drivers are for granting loans to farmers.

<u>Strengthening our impact</u>

To strengthen our impact on our focus areas, we undertook several pieces of work that focus on business engagement, and we have completed a scoping exercise to drive sustainable finance. We are also exploring how we can embed environmental justice principles in all our work going forward.

Circular Economy EDF Europe contributed substantially to the global EDF +Biz 'Pathways to Net Zero: Circular Strategies for Climate Action' Report. This is the fourth in the Pathways series to help businesses plan net zero business plans. It aims to raise awareness of the importance of circular economy and to provide practical tools and advice to incorporate circular planning into business models. EDF Europe also hosted a Euractiv panel in July to promote awareness and action on the synergy between climate and circular economy policy in the EU.

Sustainable Finance The adoption of the European Sustainability Reporting Standards (ESRS) by the European Commission in July 2023 marked an important milestone for corporate

sustainability disclosures. EDF Europe played an important role in shaping these standards via its membership of EFRAG, the European Sustainable Financial Reporting Advisory Group. We also collaborated closely with other civil society organisations advocating to ensure that the ESRS are ambitious, comprehensive, practical, and consistent with other EU legislation.
During the last quarter of 2023, EDF Europe has undertaken a strategic review of the work priorities in Sustainable Finance. Our intention is to go beyond the work on disclosures to leverage finance as a tool to accelerate Europe's transition to a sustainable economy within the agriculture, energy transition and transport sectors. This will mean holding the finance sector to account for commitments that have been made to support climate action in those sectors. It will also mean working with the finance industry and the relevant sectors to identify opportunities and solutions to financing the transition.

Environmental Justice (EJ) We have started a landscape assessment of environmental justice and equity and EDF Europe's possible role in engaging in those issues. The assessment focuses on how the issue is understood in Europe, what policy exists, and a stakeholder mapping. The consultancy undertaking the work will also conduct case studies in countries that we aim to engage in, or which have a particular importance to understand EJ issues in Europe: Spain, the Netherlands, Germany, Italy, Poland, Romania, and Ireland.

Looking to the future

The 2024 European elections will be a key moment for the future of the Union's climate policies. Many commentators point out that the EU is facing a make-or-break moment in terms of whether it is willing to pay the costs – both financial and political – of moving forward with decarbonisation at the speed and according to the model it has set out in the European Green Deal. The key question therefore is if the next European Parliament and Commission will continue the current path – by setting 2040 targets – and ensuring that we remain on track for meeting the EU's carbon neutrality goals.

We stand ready to engage fully in these debates and to help drive lasting changes that support a cleaner, healthier, and more stable world.

Operations

EDF has continued its transformation into a global organisation and further increased its presence in Europe. EDF UK now has a diverse team of approximately 50 Full Time Employees (FTEs) in the UK, Belgium, the Netherlands, Germany, Spain, France, Sweden, and Portugal. We have also strengthened our presence at the heart of the EU institutions in Brussels with the opening of a new expanded office in 2023 and the registration of a Branch on October 1st, 2023.

Our operations team has also been reinforced with the creation of a new position of Director for Governance and Operations in January 2023. This has helped improve cross-functional alignment and ensure our policies and processes are compliant in the countries we operate in.

Financial review

Expenditure

EDF UK's direct expenditure for the year ended 30 September 2023 totalled £9,845k (*2022:* £5,789k*)*. Of the total expenditure, was considered unrestricted £9,829k (*2022:* £5,632k) and was subject to donor restrictions £16k (*2022:* £158k).

EDF Europe's direct expenditure was *£6,590k* (*2022: £3,045k*) The expenditure covered charitable activities and operational costs.

Income

EDF UK receives intercompany grants and funding to finance its activities. We maintain a restrictive government and corporate donations policy that ensures our objectivity, aligns with our commitment to non-partisanship, and allows EDF UK to make its work freely available to ensure its widest possible adoption.

EDF UK received a total income of £9,303k (*2022:* £5,851k*)* for the year ended 30 September 2023. This included unrestricted funds of £9,287k (*2022:* £5,694k) and of funds that were subject to a restriction on usage £16k (*2022:* £158k*).*

EDF UK ended FY2023 with a financial result of £542k loss compared to a £62k surplus in FY 2022.

Total funds at the end of FY2023 are £180k (*2022:* £721k*).* All net assets held were considered unrestricted.

Conduit funding

During the year, EDF UK received funding on behalf of EDF Inc totalling £3k. These funds were passed directly to EDF Inc at the request of the donor and are not included in the results of EDF UK.

Reserves policy

EDF UK and Stichting EDF Europe have secured the continued backing of the US-based parent EDF Inc, for the period under review. This support takes the form of a signed guaranteed agreement covering all costs, and a signed guarantee covering any losses that EDF UK and Stichting EDF Europe are unable to meet. Having the guarantee in place, EDF UK and Stichting EDF Europe do not maintain a reserve policy per se.

Going concern

As of the date of signing these financial statements, the Trustees' forecasts indicate that EDF 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 charity's going concern assessment.

EDF 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 EDF Inc. This letter demonstrates that EDF Inc. has a legal obligation to cover the shortfalls up to June 2025. The Trustees have made suitable inquiries and considered the charity's forecasts, including cash flow, updated in the context of the global challenges, 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.

Fundraising

EDF UK seeks to raise funds from individuals, foundations and relevant Government grant making programs. EDF UK and Stichting EDF Europe receive 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 UK and Stichting EDF Europe.

Structure governance and management

Governing document

EDF UK is a charity limited by guarantee under the Companies Act 2006 and incorporated in England and Wales. EDF Inc New York not-for-profit organization 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 UK 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 UK to pay operating expenses that EDF is unable to pay during the period from October 2022 through June 2025.

Decisions regarding EDF UK 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 UK's Trustees; however, work in these suggested areas will be undertaken only if the Trustees of EDF UK decide that it will further EDF UK 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). EDF UK consolidates the results of EDF Europe on the basis that it has the ability to govern EDF Europe's financial and operating policies. The mission of EDF Europe follows that of EDF UK and its ultimate parent organization, EDF Inc. Summary results for EDF Europe are included in the notes to the financial statements.

On October 1st, 2023, EDF Europe has registered a branch in Belgium under registration number 0770.948.080. Earlier, EDF Europe had met the main material criteria for Permanent Establishment in Belgium, signalling a need for more formal status in country. EDF Europe was previously registered only as a foreign employer in Belgium. This status was appropriate whilst the Belgian operation was nascent with a small staff to facilitate compliant payroll and benefits for Belgian personnel. However, EDF's Belgian presence, staff and activity have grown considerably, and with the recent securing of a long-term office lease in Brussels, we needed to address a permanent establishment risk in Belgium and properly register with the Belgian government. Because all EDF activity in continental Europe originates from the EDF Europe entity, a branch office presents the most efficient, economical, and achievable solution to ensure compliance in Belgium.

The workforce remuneration and key management personnel salaries are reviewed against market pay data. Our remuneration policy ensures 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 require that the company have at least four trustees, two of whom must be independent trustees. EDF Inc. as the sole member, appoints Trustees for such terms as the sole member specifies.

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

Trustee induction and training

New EDF UK Trustees are voted on by a majority vote of the Board. Upon their approval, new Trustees are provided a Trustee handbook and organisational orientation, which includes training regarding a conflict-of-interest disclosure. The orientation includes meetings with the Board chair, EDF UK Executive Director, and other members of the organisation's senior leadership team as well as some 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 EDF UK and EDF 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 UK and provide them regularly with management accounts. A new Executive Director, Helen Spence, was appointed on September 20th, 2023.

Risk management

The Trustees of EDF UK 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 EDF UK should those risks materialise.

The Trustees review the risk register bi-annually 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:

- Operational Planning and Execution. EDF faces operational challenges arising from capacity or infrastructure constraints due to inadequate organisational planning or execution. To address this, a strategic resourcing plan aligned with the EDF Inc Strategy will be developed, avoiding overstaffing while rectifying current shortfalls. Collaboration with Global Enterprise will be pursued to seamlessly integrate operational components, leveraging the overall Group strategy.

- Mission Execution & Alignment. There is a risk of ineffective planning, execution, and alignment of the group's mission work with broader Global Mission goals, plans, and budget. Mitigation involves active participation in Mission Strategic Alignment Meetings, contributing to the early development of the Europe strategy. A thorough review of the budget from both regional and impact area perspectives before finalisation, coupled with the development of a multi-year financial plan linked to the group's Strategic plan, will guide the team.

- Retaining Talented Personnel. The risk involves high turnover and challenges in retaining top diverse personnel. To mitigate, resolution of compensation, benefits, and process issues impacting various regions is paramount. Ongoing solicitation and action on feedback from staff through established communication channels will be maintained. The implementation of targeted action plans derived from data gathered in the Employee Survey will be a priority to ensure the retention of talented and diverse personnel.

- Sustain Economic Downturn. There is a risk of inconsistent performance due to a sustained downturn in the U.S. and/or global economy. Mitigation strategies include enhancing the budget process to allow greater flexibility in adjusting strategic plans based on available funding. Active pursuit of multi-year funding specific to European programmatic activities will be prioritised. Rigorous review of headcount requests to ensure alignment with objectives and available funding is also prioritised. Developing a multi-year financial plan and implementing cost control efforts are crucial components of the mitigation strategy.

- Reputational Risk. EDF's reputation and credibility, particularly concerning scientific credentials, are crucial for successful advocacy and change. To mitigate the risk to our reputation, we regularly conduct media monitoring in Europe and the US, along with program-level monitoring. Regular reviews of our publications and social media outputs are conducted to uphold and strengthen our reputation.

Statement of Trustees' responsibilities

The trustees, who are also directors of the Charity for the purpose of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.
Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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:

Carl Ferenbach (Chairman)
Date: 29 MAY 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIRONMENTAL DEFENSE FUND UK

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 Charity's affairs as at 30 September 2023 and of the Group's incoming resources and application of resources and the Parent Charity'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 UK ("the Parent Charity") and its subsidiary ("the Group") for the year ended 30 September 2023 which comprise the Consolidated statement of financial activities, the consolidated and parent charity balance sheet, the consolidated cash flow statement 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 the Parent Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Other information
The 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. 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 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 Directors' Report, which is 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatement in the Trustees' 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 Charity, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Charity 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; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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

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

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

Non-compliance with laws and regulations

Based on:
- Our understanding of the Group and the Parent Charity and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's and Charity's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the applicable accounting framework, UK GAAP, the Companies Act 2006 and Charity SORP.

Our procedures in respect of the above included:
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incidents register and reports.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's and Charity's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and completion of grant income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing completeness of grant income with reference to supporting documentation;
- Assessing significant estimates made by management for bias;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Charity'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 Charity'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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Sarah Anderson

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Sarah Anderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds, UK
12 June 2024

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

Environmental Defense Fund UK
Consolidated Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 30 September 2023

	Note	**Unrestricted £**	**Restricted £**	**2023 Total £**	Unrestricted £	Restricted £	2022 Total £
Income from:							
- Climate initiatives	**2**	9,282,435	16,188	**9,298,622**	5,616,289	157,616	5,773,905
Other income	**3**	4,372	-	**4,372**	77,516	-	77,516
Total income		9,286,807	16,188	**9,302,994**	5,693,805	157,616	5,851,421
Expenditure on:							
Charitable activities:							
- Climate initiatives	**4**	9,828,660	16,188	**9,844,847**	5,631,569	157,616	5,789,185
Total expenditure		9,828,660	16,188	**9,844,847**	5,631,569	157,616	5,789,185
Net (expenditure) income for the year		(541,853)	-	**(541,853)**	62,236	-	62,236
Reconciliation of funds:							
Total funds brought forward		721,400	-	**721,400**	659,164	-	659,164
Current year result		(541,853)	-	**(541,853)**	62,236	-	62,236
Total funds carried forward		179,547	-	**179,547**	**721,400**	-	**721,400**

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
The notes on pages 21 to 38 form part of these financial statements.

Environmental Defense Fund UK
Consolidated Balance Sheet
As at 30 September 2023

Company registration no. 09217493

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	8	782,091		74,624	
Intangible Assets	9	-		2,904	
			782,091		77,528
Current assets:					
Debtors	10	512,448		340,396	
Cash at bank		125,154		1,094,567	
		637,602		1,434,963	
Liabilities:					
Creditors: amounts falling due within one year	11	(1,201,962)		(772,461)	
Net current (liabilities)/assets			(564,361)		662,502
Total assets less current liabilities			217,731		740,030
Provisions for liabilities			(38,184)		(18,630)
Total net assets			179,547		721,400
Funds					
Restricted funds			-		-
Unrestricted funds			179,547		721,400
Total funds			179,547		721,400

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 29 May 2024
and signed on their behalf by:

Name: Carl Ferenbach
Trustee

The notes on pages 21 to 38 form part of these financial statements.

Environmental Defense Fund UK
Parent Charity Balance sheet
As at 30 September 2023

Company registration no. 09217493

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	8	44,992		56,644	
Intangible Assets	9	-		2,904	
			44,992		59,548
Current assets:					
Debtors	10	663,968		151,277	
Cash at bank		104,459		852,685	
		768,428		1,003,962	
Liabilities:					
Creditors: amounts falling due within one year	11	(509,404)		(403,239)	
Net current (liabilities)/assets			259,024		600,723
Total assets less current liabilities			304,015		660,271
Provisions for liabilities			(25,397)		(18,630)
Total net assets			278,618		641,641
Funds					
Restricted funds			-		-
Unrestricted funds			278,618		641,641
Total funds			278,618		641,641

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 Charity's profit and loss account has not been included in these financial statements. The loss for the year was £363k (2022: £62k surplus).

Approved by the trustees on 29 May 2024
and signed on their behalf by:

Name: Carl Ferenbach
Trustee

The notes on pages 21 to 38 form part of these financial statements.

Environmental Defense Fund UK

Consolidated Statement of Cash Flows

For the year ended 30 September 2023

	2023	*restated* 2022
Cash flows from operating activities	**£**	£
Net (expenditure) / income for the year	**(541,853)**	62,236
Amortisation charge	**2,904**	8,238
Depreciation charge	**49,752**	37,354
Decrease in debtors	**(172,052)**	(178,740)
(Decrease) / increase in creditors	**330,782**	(38,186)
Increase / (decrease) in provisions	**19,554**	(6,000)
Net cash (used in) / provided by operating activities	**(310,913)**	(115,098)
Cash flows from investing activities		
Purchase of tangible fixed assets	**(658,501)**	(72,022)
Net cash (used in) provided by investing activities	**(658,501)**	**(72,022)**
Net decrease in cash and in cash equivalent	(969,414)	(187,120)
Cash and cash equivalents at the beginning of the year	1,094,567	1,281,687
Cash and cash equivalents at the end of the year	**125,153**	**1,094,567**

The notes on pages 21 to 38 form part of these financial statements.
Prior period is restated, see Note 17 for details.

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. Environmental Defense Fund 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. These financial statements have been prepared in Great British pound.

1.1 Basis of consolidation

These financial statements consolidate the results of EDF UK and its controlled subsidiary undertaking EDF 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

EDF 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 EDF Inc. This letter demonstrates that EDF Inc. has a legal obligation to cover the shortfalls up to June 2025. The Trustees have made suitable inquiries and considered the charity's forecasts, including cash flow, updated in the context of the global challenges, 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 EDF 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 EDF Designated funds are unrestricted funds of EDF, 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 areas of the charity's work or for specific projects being undertaken by the charity.

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:

- Direct costs: these are costs associated with the charitable activities, such as personnel costs, professional services fees and travel costs;
- Support costs: these costs for facilitating the charitable activities such as office and meetings costs, subscriptions;
- Governance costs: these costs of annual statutoty audit of the Group.

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

Cash at bank 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 discounts.

Provisions for dilapidations totaling £38,184 (2022: £18,630) are the best estimate of costs for the repairs and redecoration of office premises to return to good order before vacating in July 2025 and in January 2032 respectively.

1.10 Financial instruments

Environmental Defense Fund has only 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 except for bank loans which are subsequently measured at amortized cost using the effective interest method.

1.11 Intangible Assets

Intangible assets relate to website development costs. Where EDF's website is expected to generate future revenues in excess of the costs of developing those websites and all other capitalization criteria are met, expenditure on the functionality of the website is capitalized and treated as an intangible fixed asset. The capitalized website development costs are subsequently amortized to 'administrative' expenses on a straight-line basis over four 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 capitalized 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:

- Office equipment – 33% straight-line basis
- 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

Revenue is recognised on the Oceano Azul Foundation grant based on a percentage completion basis over the life of the contract using a best estimate based on supporting budgets and costs submitted. The trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure.

2 Income from charitable activities

	Unrestricted	Restricted	**2023 Total**	2022 Total
Climate initiatives	£	£	**£**	£
EDF Inc	9,273,121	-	**9,273,121**	5,593,501
Children's Investment Fund Foundation	-	-	**-**	5,241
Oceano Azul Foundation	-	16,188	**16,188**	38,168
Other Donations	9,314	-	**9,314**	22,788
United Nations Environment Programme	-	-	**-**	114,207
Total for climate focused initiatives	9,282,435	16,188	**9,298,623**	5,773,905

Analysis of turnover by country of origin	**2023 Total**	2022 Total
	£	£
United Kingdom	**6,985**	28,029
Rest of Europe	**18,516**	152,375
Rest of the world	**9,273,121**	5,593,501
Total turnover	**9,298,623**	5,773,905

3 Other income

	Unrestricted	Restricted	**2023 Total**	2022 Total
	£	£	**£**	£
Interest received on bank accounts	4,372	-	**4,372**	-
Total other income	4,372	-	**4,372**	-

4 Analysis of charitable expenditure for 2023

	Charitable activities			
	Direct costs	**Support costs**	**Goverenance costs**	**2023 Total**
	£	£	£	**£**
Staff costs	5,253,245	-	-	**5,253,245**
Professional fees	2,958,638	-	-	**2,958,638**
Staff travel	272,561	-	-	**272,561**
Rent	-	570,376	-	**570,376**
Office costs	-	87,409	-	**87,409**
Meetings	-	131,331	-	**131,331**
Subscriptions	-	49,418	-	**49,418**
General administration	-	158,522	-	**158,522**
Audit fees	-	-	58,896	**58,896**
Forex loss	304,453	-	-	**304,453**
	8,788,906	**997,056**	**58,896**	**9,844,848**

Analysis of charitable expenditure for 2022

	Charitable activities			
	Direct costs	**Support costs**	**Goverenance costs**	**2022 Total**
	£	£	£	**£**
Staff costs	2,782,895	-	-	**2,782,895**
Professional fees	1,884,406	-	-	**1,884,406**
Staff travel	157,686	-	-	**157,686**
Rent	-	365,836	-	**365,836**
Office costs	-	41,088	-	**41,088**
Meetings	-	348,838	-	**348,838**
Subscriptions	-	37,010	-	**37,010**
General administration	-	126,396	-	**126,396**
Audit fees	-	-	45,030	**45,030**
	4,824,987	**919,168**	**45,030**	**5,789,185**

Of the total expenditure incurred in 2023, £9,828,660 was unrestricted (2022: £5,631,569) and £16,188 was restricted (2022: £157,616).

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 Finance.

5 Net expenditure for the year

This is stated after charging:	2023	2022
	£	£
Operating lease rentals:		
- Property	**570,376**	365,836
Depreciation	**49,752**	37,354
Amortisation	**2,904**	8,238
Auditor's remuneration:		
- Audit fees	**58,896**	45,030
	681,928	456,458

6 Analysis of staff costs

Staff costs were as follows:	2023	2022
	£	£
Salaries and wages	**3,312,365**	1,674,521
Social security and pension contributions	**1,559,125**	940,324
Other staff costs	**381,754**	168,050
	5,253,245	2,782,895

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

	2023	2022
	No.	No.
£60,000 - £69,999	4	-
£70,000 - £79,999	3	2
£80,000 - £89,999	1	3
£90,000 - £99,999	2	3
£100,000 - £109,999	1	2
£110,000 - £119,999	3	1
£120,000 - £129,999	2	1
£130,000 - £139,999	1	1
£140,000 - £149,999	1	1
£150,000 - £159,999	-	-
£160,000 - £169,999	1	1
£170,000 - £179,999	1	-
£300,000 - £369,999	1	-

Senior employees of EDF UK and Stichting EDF Europe have global responsibilities and, therefore, perform work for EDF entities other than EDF UK and Stichting EDF Europe. The employee benefits in the table above include significant amounts related work performed for these other EDF entities. Currently, it is not possible to accurately allocate the costs between the various EDF entities. As per EDF's compensation policy, their salaries have been benchmarked against similar global positions in the non-profit, public and private sectors.

The total remuneration of the key management personnel was £636,556 (2022: £400,982).
Contributions amounting to £51,047 (2022: £20,480) were made to defined contribution schemes for the key management personnel of 3 individuals (2022: 3 individuals). Key management personnel were determined to be the Executive Vice President, Regions, and Chief Executive Officer in 2023 (Managing Director, Executive Director and Director of Development in 2022).

Redundancy and termination costs relating to employees were £nil (2022: £4k).

Staff Numbers

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

	2023	2022
	No.	No.
EDF UK	15	11
Stichting EDF Europe	28	14
	43	25

7 Taxation

EDF UK and EDF Europe are exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets (Group)

	Office equipment	Fixtures and fittings	Fixed assets in progress	**Total 2023**
Cost	£	£	£	**£**
At the start of the year	118,828	21,588	-	**140,416**
Additions in year	44,377	-	712,841	**757,218**
At the end of the year	**163,205**	**21,588**	**712,841**	**897,634**
Depreciation				
At the start of the year	54,637	11,153	-	**65,791**
Charge for the year	45,435	4,318	-	**49,753**
At the end of the year	**100,072**	**15,471**	**-**	**115,543**
Net book value				
At the end of the year	**63,133**	**6,117**	**712,841**	**782,091**
At the start of the year	**64,191**	**10,435**	**-**	**74,625**

Tangible fixed assets (Parent Charity)

	Office equipment	Fixtures and fittings	Fixed assets in progress	**Total 2023**
Cost	£	£	£	**£**
At the start of the year	95,250	21,588	-	**116,838**
Additions in year		-	9,711	**9,711**
At the end of the year	**95,250**	**21,588**	**9,711**	**126,549**
Depreciation				
At the start of the year	49,040	11,153	-	**60,194**
Charge for the year	17,045	4,317	-	**21,363**
At the end of the year	**66,085**	**15,471**	**-**	**81,556**
Net book value				
At the end of the year	**29,165**	**6,117**	**9,711**	**44,992**
At the start of the year	**46,210**	**10,434**	**-**	**56,644**

9 Intangible fixed assets (Group and Parent Charity)

	Website Development 2023
	£
Cost	
At the start of the year	46,846
At the end of the year	**46,846**
Amortisation	
At the start of the year	43,942
Charge for the year	2,904
At the end of the year	**46,846**
Net book value	
At the end of the year	-
At the start of the year	**2,904**

10 Debtors

	Group 2023	Group 2022	Parent Charity 2023	Parent Charity 2022
	£	£	£	£
Amounts owed by group undertakings	**351,910**	227,552	**615,186**	44,358
Prepayments	**160,538**	112,844	**48,781**	106,919
Total debtors	**512,448**	340,396	**663,967**	151,277

11 Creditors: amounts falling due within one year

	Group 2023	Group 2022	Parent Charity 2023	Parent Charity 2022
	£	£	£	£
Trade creditors	**832,265**	262,744	**313,078**	101,706
Other creditors	**243,097**	91,148	**116,024**	56,508
Accruals	**126,600**	402,381	**80,302**	247,467
Deferred income	**-**	16,188	**-**	16,188
Total creditors	**1,201,962**	772,461	**509,404**	421,869

The above balance includes £90,513 (2022: £51,149) of the Group pension liability.
The pension liability of the Parent Charity is £14,803 (2022: £12,987).

12 Operating lease commitments

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

	2023	2022
	£	£
Less than 1 year	**400,857**	270,804
2 - 5 years	**953,661**	366,513
Greater than 5 years	**786,569**	-
Total minimum lease payments	**2,141,087**	637,317

13 Legal status of EDF UK

EDF UK is a charity limited by guarantee and has no share capital. Its immediate and ultimate beneficial owner is EDF Incorporated, a 501c3 non-profit corporation established and registered in the State of New York, New York, United States of America. EDF Incorporated is known for its work on issues, including global warming, ecosystem restoration, oceans, and human health.
EDF UK is a sole subsidiary of EDF Incorporated, and it is fully controlled by EDF Incorporated.
EDF Incorporated's consolidated accounts prepared under generally accepted principals in the United States can be found at https://www.edf.org/.

14 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 Group received a grant of £9,273,121 (2022: £5,593,501) from EDF Inc.

During the reported year, Mr. Roland Kupers, a board member of EDF UK and of Stichting EDF Europe, was paid Euro 39,648.40 by EDF Inc during FY23, under service contract as a Senior Science Advisor to the EDF Office of the Chief Scientist.

In October 2023, Mrs. Connie Hedegaard, a board member of EDF UK and of Stichting EDF Europe, was paid Euro 448.98 by Stichting EDF Europe as a reimbursement of her expenses associated with participation at the Board meetings and incurred during FY23.

During the reported year Andrea Monge, Connie Hedegaard, Roland Kupers, Carl Ferenbach, Peter Harrison and Helen Spence have received benefits estimated circa Euro 500 associated with participation at a dinner event in Brussels, Belgium.

15 Conduit funding

During the year, EDF UK received £3k from the Levine Family Foundation (2022: £27k). 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 UK's bank account but was immediately transferred, in full, to EDF Inc, in accordance with the Foundation's intention. EDF UK has treated both this, and the funds received in FY22 and FY2021 as conduit funding and as such, has not included the donations for either year in its financial results.

16 Post balance sheet events

EDF Europe has registered a branch office in Brussels, Belgium effectively on October 1, 2023, with a registered address at Kunstlaan 47, 1000, Brussels, Belgium.

Moreover, EDF Europe management decided to terminate its London office lease due to the fact that the office was underused. On May 10, 2024, a legally binding Deed of Surrender was executed to terminate the lease.

17 Prior period restatement

The prior years' cash flow from operating activities has been restated to include movements in changes of debtors and creditors of £178,740 and £38,186 respectively, which were omitted in error.
This has been corrected by recognising the missing figures below:

Net cash (used in) / provided by operating activities at 30 September 2022	**£**
As previously reported	101,826
Restatement - Increase in debtors	(178,740)
Restatement - Decrease in creditors	(38,186)
Restated Net cash (used in) / provided by operating activities at 30 September 2022	**(115,100)**
Net decrease in cash and cash equivalents at 30 September 2022	
As previously reported	29,804
Restatement - Increase in debtors	(178,740)
Restatement - Decrease in creditors	(38,186)
Restated Net decrease in cash and cash equivalents at 30 September 2022	**(187,122)**
Cash and cash equivalents at 30 September 2022	
As previously reported	1,311,493
Restatement - Increase in debtors	(178,740)
Restatement - Decrease in creditors	(38,186)
Restated cash and cash equivalents at 30 September 2022	**1,094,567**

There is no change to the bottom line and the overall net current assets and assets position remains unchanged as a result of these restatements.

18 Stichting EDF Europe Statement of Financial Activities

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Income from:						
Donations and grants	6,484,423	-	**6,484,423**	3,045,570	-	**3,045,570**
Other income	3,019	-	**3,019**	-	-	-
Total income	6,487,442	-	**6,487,442**	3,045,570	-	**3,045,570**
Expenditure on:						
Charitable activities	6,589,626	-	**6,589,626**	3,045,457	-	**3,045,457**
Total expenditure	6,589,626	-	**6,589,626**	3,045,457	-	**3,045,457**
Net (expenditure) income for the year	(102,183)	-	**(102,183)**	113	-	**113**
Reconciliation of funds:						
Total funds brought forward	22,773	-	**22,773**	22,660	-	**22,660**
Total funds carried forward	**(79,410)**	-	(79,410)	22,773	-	**22,773**

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.

The notes on pages 21 to 38 form part of these financial statements.

19 Stichting EDF Europe Balance Sheet	**2023**	**2023**	**2022**	**2022**
	£	**£**	**£**	**£**
Fixed assets:				
Tangible assets	**737,098**		**17,980**	
	737,098		**17,980**	
Current assets:				
Amounts due from EDF group	**-**		**126,526**	
Prepayments	**111,756**		**5,925**	
Cash at bank	**20,694**		**241,882**	
	132,451		**374,334**	
Current liabilities:				
Creditors: amounts falling due within one year	**(438,885)**		**(161,039)**	
Amounts due to EDF group	**(243,615)**		**-**	
Other liabilities	**(253,672)**		**(208,502)**	
	(936,172)		**(369,541)**	
Net current (liabilities)/assets		**(803,721)**		**4,793**
Total assets less current liabilities		**(66,623)**		**22,773**
Provisions for liabilities		**(12,787)**		**-**
Total net (liabilities)/ assets		**(79,410)**		**22,773**
Funds				
Restricted funds	**-**		**-**	
Unrestricted funds	**(79,410)**		**22,773**	
Total funds		**(79,410)**		**22,773**

The notes on pages 21 to 38 form part of these financial statements.

ENVIRONMENTAL DEFENSE FUND UK

England & Wales - Charity number 1164661

Accounts

Environmental Defense Fund UK
Annual Report and Financial Statements
Year ended 30 September 2022
Charity number: 1164661
Company number: 09217493

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Reference and Administrative Information

Name change	On 7th December 2022, the Environmental Defense Fund has renamed to Environmental Defense Fund UK (EDFUK)
Other Names	Environmental Defense Fund Europe (former name), Environmental Defense Fund Ltd (former name), Environmental Defence Fund Europe/UK (former name), EDF Europe/UK, EDF Europe, EDF UK, Environmental Defence Fund
Board of Trustees	
Registered Office	3rd Floor 41 Eastcheap London EC3M 1DT
Company Registration Number	09217493
Charity Registration Number	1164661
Auditors	BDO LLP 55 Baker Street London, England. W1U 7EU
Bankers	Citibank 33 Canada Square London E14 5LB

Environmental Defense Fund UK Report of the Trustees for the year ended 30 September 2022

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 2022 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 (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 (EDF) 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 objectives 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 reference to the conservation, protection, and improvement of the physical and natural environment.
- 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.
    - 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.

The European Union, in a flurry of climate communications and legislation over the last two years has committed in law to achieving climate neutrality by 2050 and to reducing greenhouse gas emissions by at least 55% in 2030 compared to 1990 levels. This also includes a newly agreed overhaul of the European carbon market. This plan now needs to be implemented, but there are still gaps between the goal and the plan of action.

Europe has prided itself on leading action on climate change this century. But its leadership has stumbled a little of late. In the face of conflicting priorities of the pandemic and geopolitics, recent decisions and pronouncements have looked less certain and provided less direction to business and industry.

To help deliver solutions on the scale of these problems, EDFUK 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 EDFUK'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
- Working with strategic partners across all sectors

Charting a Course for EDFUK

EDF has a track record of over 50 years, 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's effort to expand in Europe is well underway with shift in focus from the UK to the broader European continent, with a growing and diverse staff to implement that shift. We continue 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, the EU's policymaking epicentre, 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 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).

Hydrogen deployment

The development of policies across Europe on hydrogen deployment with full consideration of the potential for hydrogen leakage, which as potent greenhouse gases can exacerbate detrimental effects on the climate.

Achievements and performance

Bringing science to Europe's hydrogen debate

Accelerating a transition to clean energy in the EU is key to addressing the current energy crisis as well as the climate emergency. Green hydrogen is an important part of this transition. The European Commission has stated that clean, renewable hydrogen will be essential to replace natural gas, coal and oil, especially in hard-to-decarbonise industries and transport. The EU has stated its intention to produce 10 million tonnes of hydrogen from renewable sources and import another 10 million tonnes by 2030.

2022 Achievements

- The European Commission's Climate Policy Unit (DG CLIMA) has confirmed in bilateral meetings that two EDF UK events in 2021 were successful in first putting the issue of hydrogen leakage on their radar.
- As a result of our ongoing advocacy efforts, the EU's research and innovation funding program Horizon Europe will include a budget line for climate impacts of hydrogen leakage in the 2023 work program.
- EDFUK has been invited to raise the flags of concern – and the potential – of hydrogen as speakers/presenters at events with Chatham House, Reuters and the TED Dilemmas.
- EDFUK has successfully applied for membership in the European Clean Hydrogen Alliance.
- EDFUK has briefed over 20 organizations from civil society and beyond on hydrogen leakage.

Shaping methane regulations

Methane emissions represent about 12% of overall GHG emissions in the EU. 53% of anthropogenic methane emissions come from agriculture, 26% from waste and 19% from energy. Although energy methane emissions only represent a small amount of the overall EU GHG emissions (less than 2%), it is the area where emissions can be reduced quickly at low or no costs. Moreover, the EU is the largest importer of gas in the world: if its legislation also applies to imported fossil fuels, this will have an impact far across its borders.

Over the past two years we have worked across the EU institutions and EU member states to shape an essential methane regulation. As we head towards a final text, we have worked in close collaboration with the European Commission, European Parliament, EU member states, UN Environmental Program as well as representatives from the oil and gas industry to uphold the legislation high level of ambition. Our seat at the table gives us a unique opportunity to put forward solutions that increase the level of ambition and address concerns raised by various stakeholders.

2022 Achievements

- EDFUK has engaged the EU Council (representatives of the governments of the 27 countries of the EU) as it began negotiations on the proposed EU methane regulation in early 2022 to ensure that lobbying form the oil and gas industry is not successful in dilute the text of the regulation.
- Through direct advocacy and high-level events such as EU Methane Week and EU Sustainable Energy Week we have engaged with key Members of the European

Parliament (the legislative body with 705 elected representatives) and the European Commission (the EU's executive branch), providing clear science-based and technical explanations to help inform their decision making.
- EDFUK in-country advocacy has rapidly advanced, with activities now ongoing in Poland, Spain, France, Italy, Germany, and the Netherlands. Media coverage in leading national outlets has also supported our effort to build in influence.
- Through our strategic collaboration with Climate Action Network Europe (CAN) we have also expanded our advocacy reach to Bulgaria, Hungary, and the Czech Republic.

Enhancing our approach to EU Transport

Transport represents almost a quarter of Europe's GHG emissions and is the main cause of air pollution in cities. The transport sector has not seen the same gradual decline in emissions as other sectors: emissions only started to decrease in 2007 and remain higher than in 1990. Within this sector, road transport is by far the biggest emitter accounting for 72% of all GHG emissions from transport in 2019.

By 2030, EDFUK's goal is to lock in policies and investment necessary for shipping, aviation, lorries, buses, and passenger cars to achieve their net zero targets by 2050 while achieving preliminary GHG reductions form these transport modes by at least 5% from global 2020 levels.

2022 Achievements

- EDFUK worked with POLIS, a network of European cities and regions_working together on innovative technologies and policies for local transport, to develop the Sustainable Urban Freight project which set out to help cities and regions build strategies to reduce air pollution and carbon emissions from heavy duty vehicles.
- EDFUK chose to support three "instant projects" out of scores of applicants. The winners in Denmark, Italy and Greece received a small amount of funding and some expert support for their projects which were then networked and workshopped. An online course was also produced to reach even more interested parties. We hope to continue this work subject to funding, with a larger number of cities.
- 2022 has been a pivotal year for EU policy on maritime transport, with important developments in the EU's Emissions Trading System (EU ETS) extension to shipping, and the world's first low-carbon fuel standard Fuel EU.
- EDFUK presented research completed in 2021 showing that EU ETS fee for EU"s shipping is feasible and a constructive step towards a global measure at the International Maritime Organisation.
- On Fuel EU Maritime, EDFUK spearheaded the call for a zero-carbon fuel mandate, and for direct use of renewable power on board ships. We did so by leveraging our partnerships with other NGOs and key industry associations like Global Maritime Forum and the Maersk McKinney Moeller Center. In the European Parliament's final vote in October, a compromise to include a 2030 zero-carbon fuel mandate was successful whereas the proposal to enhance the reward of onboard renewable power on ships, though ultimately unsuccessful, gathered the most votes of all plenary amendments.
- EDFUK has also established a place for itself in the wider European dialogue to shape shipping's decarbonisation going forward. We took part in panel events organised by key industry players, such as World Shipping Council in Brussels and Maersk McKinney Moeller Center in Copenhagen. We have built relationships with policymakers in the EU's

institutions and honed an effective communications approach that makes use of video and social media, to deliver our main messages to policy makers in a joint campaign with Transport & Environment, a well-established transport NGO in Europe.

Development and Operations

EDFUK 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 an influx of staff that reflects the diversity of the policies and politics we hope to shape.

As part of the transformation to an authentically global organisation, EDFUK has undergone a remarkable evolution over the last two years, with its board more European in composition and the team developing from a largely UK-focused team of British and American nationals to a truly pan-European team of experts drawn from across the European continent. The EDFUK team now has staff from 16 countries including Belgium, France, Germany, Greece, Hungary, India, Italy, Malta, Mexico, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, the United States and Vietnam. The EDFUK team at the heart of the EU in Brussels has also grown exponentially which will be reflected by the opening of new expanded office space in 2023.

Financial review

Expenditure

EDFUK's direct expenditure for the year ended 30 September 2022 totalled £5,789k (*2021:* £4,002k*).* Of the total expenditure, £5,632k was considered unrestricted (*2021: £3,298k*) and £158k was subject to donor restrictions (*2021: £704k*).

Stichting EDF Europe's direct expenditure was £3,011k (*2021: £371k*) The expenditure covered charitable activities and operational costs.

Income

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

EDFUK received total income of £5,851k (*2021: £4,064k)* for the year ended 30 September 2022. This included £5,694k of unrestricted funds (*2021:* £3,310*k*) and £158k of funds that were subject to a restriction on usage (*2021: £754k).*

EDFUK ended FY2022 with £62k surplus financial result compared to a £62k surplus a year earlier.

Total funds at the end of FY2022 are £721k (*2021: £659k).* All net assets held were considered unrestricted.

Conduit funding
During the year, EDFUK received funding on behalf of EDF totalling £27k. These funds were passed directly to EDF at the request of the donor and are not included in the results of EDFUK.

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 £2,000k (*2021: £727k*). The reserves level has been reviewed in light of the COVID-19 pandemic, global inflation, and other relevant factors, and the Trustees assess that the required level of reserves remains appropriate despite this external event. The total unrestricted funds as of 30 September 2022 amounted to £721k (*2021:* £659k). This includes fixed assets with a Net Book Value (NBV) of £78k (*2021:* £51k) that are not available for general purposes at the year-end, leaving free reserves at the year-end of £644k (*2021:* £608k). The Trustees believe 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.

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

Many experts think that the immediate energy crisis will soften in the coming year and prices in Europe will decrease but the need for increased resilience has been visibly demonstrated in the last two years and the need to rapidly transition from fossil fuels has never been more apparent.

In additional to continued work on work areas for 2023, we have a number of new staff taking forward work on the following subjects:

Advancing climate smart agriculture. The EU has several policies that aim to address agricultural greenhouse gas emissions, including methane. However, there is currently no EU-wide emission reduction target specifically for agriculture. New policy reforms are needed to ensure the EU reduces methane emissions enough to meet its share of the Global Methane Pledge. To raise government ambition and advance methane solutions, EDFUK commissioned a gap assessment focusing on the agriculture sector in the EU and in selected member states.

Findings from this report will also help identify potential strategies and inform action to reduce livestock methane emissions at both the EU and member state-levels.

Driving corporate disclosure and influencing investors. Building on EDF's global work on investor insights and reports for several key sectors, EDFUK continues to engage actively in shaping the future of the EU's corporate disclosure requirements as a member of the European Financial Reporting Advisory Group (EFRAG)'s 'Community Sector Groups' on oil and gas, and agriculture. In addition, we have applied to join Platform on Sustainable Finance (to influence future taxonomy). These groups bring together sectoral expertise from industry, finance and CSOs to support the development of mandatory EU sector specific ESG disclosures.

Reducing energy demand in Eastern Europe. There is a sense of war time urgency around the EU's energy transition in Europe. The EU imports 90% of its gas, with Russia providing more than 40% of all gas consumed in the EU. Energy demand reduction through efficiency measures is critical for reducing consumer costs, lowering fuel imports, and lowering emissions. Each member state has very different challenges around energy use and energy demand reduction, and we are looking at the poorest states to see how we can make a difference for the most disadvantaged.

Scoping has begun in Romania for our planned work on energy demand reduction, where we are building an ecosystem of Romanian local partners, stakeholders, and community groups to help drive transformative solutions. Results of current scoping activities will help us design and roll out a call for proposals for 'instant innovative projects' with the highest potential to reduce energy demand at scale. We are also seeking to build on this work in other Eastern European countries, including Bulgaria and Poland.

Fundraising

EDFUK seek to raise funds from individuals, foundations and relevant Government grant making programmes. EDFUK and Stichting EDF Europe receives donations raised by EDF for our work in Europe and direct support received from European sources. Fundraising activities in Europe are closely coordinated between EDF and EDFUK and Stichting 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. EDFUK does not hold or manage a list of contact details for donors' residents in Europe, donating to EDFUK. We have received no complaints. EDFUK's fundraising activity is currently not operating at a level where EDFUK considers it necessary to agree to any voluntary standards. Should it increase, EDFUK will ensure we adopt leading practices and sign up to and meet the appropriate standards.

EDFUK have received no complaints in relation to fundraising activities. Our terms of employment require staff to always behave reasonably; 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

EDFUK is a company limited by guarantee under the Companies Act 2006 and incorporated in England and Wales. EDF, a New York not-for-profit organisation 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 EDFUK 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 has entered into an agreement with EDFUK to pay operating expenses that EDFUK is unable to pay during the period from October 2022 through March 2024.

Decisions of EDFUK are made by the Charity's Trustees, who act independently from EDF. EDF may suggest areas of work for consideration by the EDFUK'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). EDFUK 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 UK and its ultimate parent organisation, EDF. Summary results for Stichting EDF Europe are included in the notes to the financial statements.

The workforce remuneration and key management personnel 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 EDFUK require that the Charity have at least four trustees, two of whom must be independent trustees. EDF as the sole member, appoints Trustees for such term as the sole member specifies.

Trustees of EDFUK 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 EDFUK and will liaise with EDF to ensure such activities coordinate with EDF's work.

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

EDFUK is 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 EDFUK 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, EDFUK 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 EDFUK 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 EDFUK and provide them regularly with management accounts, which are sufficient to explain the financial position of the Charity.

Risk management

The Trustees of EDFUK 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.

- 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.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

- 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:

Carl Ferenbach (Chair)
Date: 6.15.23

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

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 at 30 September 2022 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 UK ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 30 September 2022 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cashflow 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 the 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. 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 Trustees' 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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

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

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

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:

Based on our understanding of the charity and the industry in which it operates, we identified that the principle laws and regulations that directly affect the financial statements to be relevant are the Charities Act in the UK, Companies Act 2006, UK GAAP, FRS 102 Charities SORP and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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 the Parent Charity's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance and key drivers for any performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission and we considered to extent to which non - compliance might have a material effect of the financial statements.

- 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 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.

- Identifying and testing the appropriateness of journal entries and other adjustments, with particular focus on unusual account combinations and postings by unexpected users or senior management.

- Challenging the assumptions and judgements made by management for key estimates.

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, UK
Date 19 June 2023

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

Environmental Defense Fund UK
Consolidated Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 30 September 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Charitable activities:							
- Climate initiatives	2	5,616,289	157,616	**5,773,905**	3,309,583	754,345	4,063,928
Other income	3	77,516	-	**77,516**	-	-	-
Total income		5,693,805	157,616	**5,851,421**	3,309,583	754,345	4,063,928
Expenditure on:							
Charitable activities:							
- Climate initiatives	4	5,631,569	157,616	**5,789,185**	3,298,200	704,093	4,002,292
Total expenditure		5,631,569	157,616	**5,789,185**	3,298,200	704,093	4,002,292
Net income for the year	5	62,236	-	**62,236**	11,383	50,252	61,635
Transfers between funds		-	-	**-**	50,252	(50,252)	-
Net movement in funds		62,236	-	**62,236**	61,635	-	61,635
Reconciliation of funds:							
Total funds brought forward		659,164	-	**659,164**	597,529	-	597,529
Total funds carried forward	14	721,400	-	**721,400**	659,164	-	659,164

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 UK

Consolidated Balance Sheet **Company registration no. 09217493**

As at 30 September 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	8	74,624		42,860	
Intangible Assets	9	2,904		8,238	
			77,528		51,098
Current assets:					
Debtors	10	340,396		161,656	
Cash at bank		1,094,567		1,281,687	
		1,434,963		1,443,343	
Liabilities:					
Creditors: amounts falling due within one year	11	(772,461)		(829,277)	
Net current assets			662,502		614,066
Total assets less current liabilities			740,030		665,164
Provisions for liabilities	12		(18,630)		(6,000)
Total net assets			721,400		659,164
Funds					
Restricted funds	13		-		-
Unrestricted funds	13		721,400		659,164
Total funds			721,400		659,164

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 6 · 15 · 23
and signed on their behalf by:

Name
Trustee

The attached notes form part of the financial statements.

Environmental Defense Fund UK

Parent Charity Balance sheet

As at 30 September 2022

Company registration no. 09217493

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	8	56,644		42,860	
Intangible Assets	9	2,904		8,238	
			59,548		51,098
Current assets:					
Debtors	10	151,277		223,344	
Cash at bank		852,685		1,184,925	
		1,003,962		1,408,269	
Liabilities:					
Creditors: amounts falling due within one year	11	(403,239)		(816,863)	
Net current assets			600,723		591,406
Total assets less current liabilities			660,271		642,504
Provisions for liabilities	12		(18,630)		(6,000)
Total net assets			641,641		636,504
Funds					
Restricted funds			-		-
Unrestricted funds	13		641,641		636,504
Total funds			641,641		636,504

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 £62,238 (2021: £61,635 surplus).

Approved by the trustees on 6.15.23

and signed on their behalf by:

Name

Trustee

The attached notes form part of the financial statements.

Environmental Defense Fund UK
Consolidated Statement of Cash Flows
For the year ended 30 September 2022

	2022 £	2021 £
Net cash (used in) / provided by operating activities	101,829	1,169,974
Cash used in investing activities	(72,022)	(20,953)
(Decrease) / increase in cash and cash equivalents in the year	29,807	1,149,021
Cash and cash equivalents at the beginning of the year	1,281,687	132,666
Cash and cash equivalents at the end of the year	1,311,493	1,281,687

Reconciliation of net expenditure to net cash flow from operating activities	**2022 £**	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)	**62,236**	61,635
Amortisation charge	**8,238**	10,986
Depreciation charge	**37,354**	15,537
(Increase) / decrease in debtors	**-**	881,419
Decrease / (increase) in creditors	**-**	200,396
Write-down of investment	**-**	1
Increase in provisions	**(6,000)**	-
Net cash (used in) / provided by operating activities	**101,829**	1,169,974

Cashflow from investing activities

Purchase of Tangible Fixed Assets	**72,022**	20,953
	72,022	20,953

Changes in Net Funds	At 01 October 2021 £	Cash Flows £	Non-cash changes £	**At 30 September 2022 £**
Cash at bank	1,281,687	(187,120)	-	**1,094,567**
Net cash	**1,281,687**	**(187,120)**	**-**	**1,094,567**

The attached notes form part of the financial statements.

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 2024. 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.

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

Cash at bank 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 £18,630 (2021: £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.

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

Revenue is recognized on the Oceano Azul Foundation grant based on a percentage completion basis over the life of the contract using a best estimate based on supporting budgets and costs submitted. The trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure.

2 Donations and Grants

	Unrestricted	Restricted	2022 Total	2021 Total
Climate initiatives	£	£	**£**	£
EDF Inc	5,593,501		**5,593,501**	**3,243,226**
Clean Air Fund: Breathe London			**-**	**181,879**
Clean Air Fund: Data Into Action			**-**	**29,920**
Clean Air Fund: Through Traffic			**-**	**39,000**
Children's Investment Fund Foundation		5,241	**5,241**	**346,725**
Frederick Mulder Foundation			**-**	**10,000**
Oceano Azul Foundation		38,168	**38,168**	**50,959**
Other Donations	22,788		**22,788**	**56,357**
United Nations Environment Programme		114,207	**114,207**	**105,862**
Total for climate focused initiatives	5,616,289	157,616	**5,773,905**	4,063,928

Of the total Donations and Grants recognised in 2021, £754,345 was considered restricted. A breakdown of this income can be found in note 14.

Analysis of turnover by country of destination	2022 Total	2021 Total
	£	£
United Kingdom	**28,029**	653,881
Rest of Europe	**152,375**	166,821
Rest of the world	**5,593,501**	3,243,226
	5,773,905	4,063,928

3 Other Income

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	**£**	£
FOREX gain	77,516	-	**77,516**	-

4 Analysis of expenditure

		Charitable activities			
	Climate initiatives	Support costs	Governance costs	2022 Total	2021 Total
	£	£	£	£	£
Staff costs	2,782,895			**2,782,895**	1,912,295
Professional fees	1,884,406			**1,884,406**	1,590,097
Staff travel	157,686			**157,686**	8,414
Rent		365,836		**365,836**	317,197
Office costs		41,088		**41,088**	46,115
Meetings		348,838		**348,838**	222
Subscriptions		37,010		**37,010**	14,574
General Administration		126,396		**126,396**	33,976
Audit and accounts fee			45,030	**45,030**	79,402
	4,824,987	919,168	45,030	**5,789,185**	4,002,292
Support costs	919,168	(919,168)	-	-	-
Governance costs	45,030	-	(45,030)	-	-
Total expenditure 2022	**5,789,185**	**-**	**-**	**5,789,185**	
Total expenditure 2021	4,002,292	-	-	-	4,002,292

Of the total expenditure incurred in 2022, £5,789,185 was unrestricted (2021: £3,298,200) and £157,616 was restricted (2021: £704,093).

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.

5 Net expenditure for the year

This is stated after charging:	2022	2021
	£	£
Operating lease rentals:		
- Property	**270,804**	271,109
Depreciation	**37,354**	15,537
Amortisation	**8,238**	10,986
Auditor's remuneration:		
- Audit fees	**45,030**	32,760

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

Staff costs were as follows:	2022	2021
	£	£
Salaries and wages	**1,674,521**	1,337,054
Social security costs	**759,461**	187,406
Employer's contribution to defined contribution pension schemes	**180,863**	201,536
Other staff costs	**168,050**	150,475
	2,782,895	1,876,471

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

	2022	2021
	No.	No.
£60,000 - £69,999	-	1
£70,000 - £79,999	2	2
£80,000 - £89,999	3	-
£90,000 - £99,999	3	-
£100,000 - £109,999	2	1
£110,000 - £119,999	1	1
£120,000 - £129,999	1	-
£130,000 - £139,999	1	
£140,000 - £149,999	1	1
£150,000 - £159,999	-	-
£160,000 - £169,999	1	-

The total employee renumeration the key management personnel were £400,982 (2021: £489,076). Key management personnel were determined to be the Executive Vice President, Regions, Chief Executive Officer and Senior Director of Development in 2022 (Managing Director, Executive Director and Director of Development in 2021).

Redundancy and termination costs relating to employees were £4k (2021: £nil).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Staff numbers

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

	2022	2021
	No.	No.
EDF Europe UK	11	11
Stichting EDF Europe	14	9
	25	**20**

7 Taxation

EDF UK and Stichting EDF Europe are exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets

	Office Equipment 2022	Office Equipment 2021
Cost	£	£
At the start of the year	65,700	44,747
Additions in year	69,118	20,953
At the end of the year	134,818	65,700
Amortisation		
At the start of the year	22,840	7,303
Charge for the year	37,354	15,537
At the end of the year	60,194	22,840
Net book value		
At the end of the year	74,624	42,860
At the start of the year	42,860	37,444

All of the above assets are used for charitable purposes.

9 Intangible fixed assets

	Website Development 2022	Website Development 2021
Cost	£	£
At the start of the year	43,942	43,942
Additions in year	2,904	-
At the end of the year	46,846	43,942
Amortisation		
At the start of the year	35,704	24,718
Charge for the year	8,238	10,986
At the end of the year	43,942	35,704
Net book value		
At the end of the year	2,904	8,238
At the start of the year	8,238	19,224

All of the above assets are used for charitable purposes.

10 Debtors

	Group 2022	Group 2021	**Parent Charity 2022**	Parent Charity 2021
	£	£	**£**	£
Trade debtors	**-**	-	**-**	-
Amounts owed by group undertakings	**227,552**	-	**44,358**	61,688
Prepayments	**112,844**	129,236	**106,919**	129,236
Accrued income	**-**	32,420	**-**	32,420
	340,396	161,656	**151,277**	223,344

11 Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	**Parent Charity 2022 £**	Parent Charity 2021 £
Trade creditors	**262,744**	35,416	**101,706**	35,416
Other creditors	**91,148**	12,358	**56,508**	12,358
Accruals	**402,381**	676,953	**247,467**	665,384
Amounts owed to group undertakings	**-**	56,663	**-**	55,818
Taxes and Social Security	**-**	31,311	**-**	31,311
Deferred income	**16,188**	16,576	**16,188**	16,576
	772,461	829,277	**421,869**	816,863

12 Provisions for liabilities

	Group 2022 £	Group 2021 £	**Parent Charity 2022 £**	Parent Charity 2021 £
Opening balance	**6,000**	-	**6,000**	-
Additions	**12,630**	6,000	**12,630**	6,000
Amounts charged against the provision	**-**	-	**-**	-
Closing balance	**18,630**	6,000	**18,630**	6,000

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 utilized in 2025.

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

	Unrestricted £	Restricted £	**Total funds £**
Tangible fixed assets	77,528	-	**77,528**
Net current assets	662,502	-	**662,502**
Provisions for liabilities	(18,630)	-	**(18,630)**
Net assets at the end of the year	721,400	**-**	**721,400**

Analysis of net assets between funds - previous year

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

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

	Unrestricted £	Restricted £	**Total funds £**
Tangible fixed assets	59,548	-	**59,548**
Net current assets	600,723	-	**600,723**
Provisions for liabilities	(18,630)	-	**(18,630)**
Net assets at the end of the year	641,641	**-**	**641,641**

Analysis of net assets between funds - previous year

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

14 Movements in funds - current year (Group)

	At 01 October 2021	Income	Expenditure	Transfers	At 30 September 2022
	£	£	£	£	**£**
Restricted funds:					
Children's Investment Fund Foundation	-	5,241	(5,241)	-	-
Oceano Azul Foundation	-	38,168	(38,168)	-	-
United Nations Environment Programme	-	114,207	(114,207)	-	-
Total restricted funds	**-**	**157,616**	**(157,616)**	**-**	**-**
Unrestricted funds:					
General funds	659,164	5,693,804	(5,631,570)	-	**721,398**
Total unrestricted funds	**659,164**	**5,693,804**	**(5,631,570)**	**-**	**721,398**
Total funds	**659,164**	**5,851,420**	**(5,789,186)**	**-**	**721,398**

Movements in funds - current year (Parent Charity)

	At 01 October 2021	Income	Expenditure	Transfers	At 30 September 2022
	£	£	£	£	**£**
Restricted funds:					
Children's Investment Fund Foundation	-	5,241	(5,241)	-	-
Oceano Azul Foundation	-	38,168	(38,168)	-	-
United Nations Environment Programme	-	114,207	(114,207)	-	-
Total restricted funds	**-**	**157,616**	**(157,616)**	**-**	-
Unrestricted funds:					
General funds	636,504	2,586,112	(2,586,112)	-	**636,504**
Total unrestricted funds	**636,504**	**2,586,112**	**(2,586,112)**	**-**	**636,504**
Total funds	**636,504**	**2,743,728**	**(2,743,728)**	**-**	**636,504**

Movements in funds - prior 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**

Movements in funds - prior 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	-	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**

15 Operating lease commitments

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

	2022	2021
	£	£
Less than 1 year	**270,804**	270,804
2 - 5 years	**366,513**	637,317
Greater than 5 years	**-**	-
	637,317	908,121

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 £5,593,501 (2021: £3,243,226) from EDF Inc. Included within debtors falling due within one year is an amount owed at the end of the year by EDF Inc. of £227,552 (2021: £55,818 creditor was owed to EDF Inc.). Included within the grant from EDF Inc was £3,045,570 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 debtor balance of £129,536 was owed by EDF Inc. to Stichting.

Mr. Roland Kupers, a board member of EDF UK and of Stichting EDF Europe, was paid Euro 28k by EDF Inc during FY22, under contract as a Senior Science Advisor to the EDF Office of the Chief Scientist.

Mrs. Hannah Ryder, a board member of EDF UK and of Stichting EDF Europe, was compensated via her affiliated legal entity, Development Reimagined Ltd, GBP 6k for the costs associated with travel and accommodation in Gabon at Africa Climate Week.

Mrs. Andrea Mongea, a board member of EDF UK and of Stichting EDF Europe, to be compensated by Stichting EDF Europe for her travel and accommodation expenses incurred during the reported period in the amount of circa GBP 575.

During the reported period, board members of EDF UK and of Stichting EDF Europe Mr. Carl Ferenbach and Mrs. Andrea Monge participated at a dinner meeting with EDF UK management; the personal benefit of the trustees does not exceed GBP 200 for each.

18 Conduit funding

During the year, EDF UK received £27k from the Levine Family Foundation (2021: £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 UK's bank account but was immediately transferred, in full, to EDF Inc, in accordance with the Foundation's intention. EDF UK has treated both this and the funds received in FY21 as conduit funding and as such, has not included the donations for either year in its financial results.

19 Post Balance Sheet Events

On November 16, 2022 Stichting EDF Europe entered into an agreement with a 3rd party for lease of office space in Brussels, Belgium which ends January 31, 2032. In lieu of a bank guarantee, the lessor agreed to accept a cash deposit from EDF Inc. of EUR 103,962.50 (USD equivalent $109,503.70). EDF Inc. provided this deposit on November 30, 2022.

20 Stichting EDF Europe Statement of Financial Activities

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:						
Donations and grants	3,045,570	-	**3,045,570**	370,705	-	**370,705**
Total income	3,045,570	-	**3,045,570**	370,705	-	**370,705**
Expenditure on:						
Charitable activities	3,045,457	-	**3,045,457**	370,705	-	**370,705**
Total expenditure	3,045,457	-	**3,045,457**	370,705	-	**370,705**
Net movement in funds	113	-	**113**	-	-	-
Reconciliation of funds:						
Total funds brought forward	22,660	-	**22,660**	22,660	-	**22,660**
Total funds carried forward	22,773	-	**22,773**	**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.

Accounts

Environmental Defense Fund Europe

Annual Report and Financial Statements
Year ended 30 September 2021
Charity number: 1164661

Company number: 09217493

Table of Contents

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 14th September 2021) Carl Ferenbach Jens Dag Ulltveit-Moe Lord Brian Griffiths Christopher Cole (Resigned 14th September 2021) Lance West Connie Hedegaard (Appointed 19th November 2020) Andrea Monge (Appointed 19th November 2020) Ravi Gurumurthy (Appointed 19th November 2020) Roland Kupers (Appointed 19th November 2020)
Registered Office	3rd 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 grassroot 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 PM2.5 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 (ZEZ-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 ZEZ-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

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		3,309,583	754,345	**4,063,928**	2,187,158	1,578,666	3,765,824
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		3,298,200	704,093	**4,002,293**	2,038,222	1,751,869	3,790,091
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		597,529	-	**597,529**	448,593	173,203	621,796
Total funds carried forward	**14**	659,164	-	**659,164**	597,529	-	597,529

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 **Company registration no. 09217493**

As at 30 September 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	**8**	**42,860**		37,445	
Intangible Assets	**9**	**8,238**		19,224	
			51,098		56,669
Current assets:					
Debtors	**10**	**161,656**		1,043,075	
Cash at bank and in hand	**16**	**1,281,687**		132,666	
		1,443,343		1,175,741	
Liabilities:					
Creditors: amounts falling due within one year	**11**	**(829,277)**		(628,881)	
Net current assets			**614,066**		546,860
Total assets less current liabilities			**665,164**		603,529
Provisions for liabilities	**12**		**(6,000)**		(6,000)
Total net assets			**659,164**		597,529
Funds					
Restricted funds	**13**		**-**		-
Unrestricted funds	**13**		**659,164**		597,529
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
As at 30 September 2021

Company registration no. 09217493

	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	1,149,021	70,320
Cash and cash equivalents at the beginning of the year	132,666	62,346
Cash and cash equivalents at the end of the year	1,281,687	132,666

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	**1,169,974**	105,885

Cashflow from investing activities

Purchase of Tangible Fixed Assets	**20,953**	35,565
	20,953	35,565

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	**132,666**	**1,149,021**	**-**	**1,281,687**

The attached notes form part of the financial statements.

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.

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.

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.

2 Donations and Grants

Climate initiatives	Unrestricted £	Restricted £	**2021 Total £**	2020 Total £
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	3,309,583	754,345	**4,063,928**	3,764,741

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	**3,243,226**	2,262,676
	4,063,928	3,764,741

3. Other Income

	Unrestricted £	Restricted £	**2021 Total £**	2020 Total £
Interest Receivable	-	-	**-**	1,083

4 Analysis of expenditure

	Charitable activities				
	Climate initiatives	**Support costs**	**Governance costs**	**2021 Total**	2020 Total
	£	£	£	**£**	£
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.

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

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

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	65,700	-	**65,700**
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	22,840	-	**22,840**
Net book value			
At the end of the year	42,860	-	**42,860**
At the start of the year	37,444	1	**37,445**

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	43,942	**43,942**
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	35,704	**35,704**
Net book value		
At the end of the year	8,238	**8,238**
At the start of the year	19,224	**19,224**

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
	161,656	1,043,075	**223,344.00**	1,041,583

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
	829,277	628,881	**816,863**	650,049

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	**6,000**	6,000	**6,000**	6,000

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	659,164	**-**	**659,164**

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	597,529	-	597,529

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	636,504	**-**	**636,504**

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	574,869	-	574,869

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**

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

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.

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.

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	**96,762**		-	
		96,762		23,386	
	Liabilities:				
	Creditors: amounts falling due within one year				
	Amount due to group undertakings	**(62,533)**			
	Other liabilities	**(11,569)**		(727)	
		(74,102)		(727)	
	Net current assets		**22,660**		22,660
	Total net assets		**22,660**		22,660
	Funds				
	Restricted funds	**-**		**-**	
	Unrestricted funds:				
	General funds	**22,660**		22,660	
	Total unrestricted funds		**22,660**		22,660
	Total funds		**22,660**		22,660

Carl Ferenbach (Chair)
8th March 2022

Accounts

Environmental Defense Fund Europe

Annual Report and Financial Statements
Year ended 30 September 2020
Charity number: 1164661

Company number: 09217493

Table of Contents

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 Carl Ferenbach Jens Dag Ulltveit-Moe Lord Brian Griffiths Christopher Cole Lance West Connie Hedegaard (Appointed 16th September 2020) Andrea Monge (Appointed 19th November 2020) Ravi Gurumurthy (Appointed 19th November 2020) Roland Kupers (Appointed 16th September 2020)
Registered Office	3rd 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	Wells Fargo Capital Finance (UK) Limited 33 King William Street London EC4R 9AT

Report of the trustees for the year ended 30 September 2020

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 2020 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 have assessed what needs to be done to meet the most pressing challenges that cross national boundaries. We looked at how we are best positioned to help; based on the strengths we bring to the table and the good work others are doing. The results are captured in our European Strategic Plan: ***Charting a Course for EDF Europe***, which shares our vision for the coming years and sets out our strategies and approaches. In working towards these goals, 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 Public Benefit guidance published by the Charity Commission and that the benefits that the charity provides are not unreasonably restricted.

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 methane emissions

Methane is a potent greenhouse gas, responsible for at least 25% of current human-caused global warming. Environmental Defense Fund Europe has coordinated international research with over 100 partners, measuring methane emissions from global oil and gas infrastructure. To date, we have published more than 50 papers in peer-reviewed scientific journals.

In 2020, our research characterised city emissions in Hamburg, Germany, and Utrecht, the Netherlands. Further studies in the UK, France, Spain, Poland, and Romania were released in early 2021. These findings will help identify emissions mitigation opportunities within Europe.

As part of a long-term collaboration with the Netherlands Institute for Space Research (SRON), we are using satellite data from the European Space Agency to distinguish regional oil and gas emissions worldwide. In 2020, we provided the first satellite-based emissions measurements in the US and Mexico, with further regions to be published in 2021. This groundbreaking work is critical to understand how civil society can use methane emissions measurements from space.

Enabling ambitious methane legislation

Reducing global oil and gas methane emissions is the fastest and most effective way to slow global warming. In July 2020, the European Commission (EC) issued its Sector Integration and Hydrogen Strategies, which both address methane emissions within a long-term transformation of Europe's energy system. Later, in October 2020, the EC released a Methane Strategy to help deliver its European Green Deal climate goals. The strategy acknowledges reducing oil and gas methane emissions caused as key to delivering the most immediate impact. In 2021, the EC will introduce new legislation to enact these strategies, including domestic methane in June and imports later in the year.

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. Our goal is to reduce global oil and gas methane emissions 45% by 2025, which will deliver the same 20-year climate benefit as closing one-third of the world's coal plants.

Cleaning up shipping

Shipping is the lifeblood of global trade, transporting 80% of the world's cargo. Currently, shipping emits the same amount of greenhouse gases as Germany, the world's sixth most polluting country, and the sector's emissions are on the rise. In 2018, the International Maritime Organization (IMO) pledged to halve the sector's emissions by 2050 from 2008 levels. However, this ambition falls short of the Paris Agreement, which would require the sector to decarbonise by 2050 to align with the 2C target.

Environmental Defense Fund Europe works with maritime stakeholders to clean up shipping and reduce its emissions over a full lifecycle. As a knowledge partner of the Getting to Zero Coalition, we have driven the progressive part of the industry to commit to an introduction of zero-emissions vessels by 2030.

Comprehensive policies and guidance will enable industry to make confident steps towards truly sustainable maritime fuels. Our report, *Exploring the relevance of ICAO's Sustainable Aviation Fuels framework for the IMO*, identified how lessons from the aviation sector can inform regulations that fast-track a shift to zero-carbon fuels. As described in our reports, *Sailing on Solar* and *Electrofuels for Shipping*, the transition to zero-carbon shipping can draw USD billions of investment, especially in developing countries.

Building resilient oceans

Climate change and overfishing present a major threat to ocean ecosystems and the communities that rely on them. Warmer temperatures are driving fish toward cooler waters, impacting marine biodiversity and local livelihoods. Over decades, Environmental Defense Fund has worked with governments, communities and other stakeholders to establish sustainable fisheries using co-management practices.

Developing cutting-edge research and tools, we introduce policies and practices that allow fish and fishermen to thrive. In 2020, we made important progress in the EU, building on previous fisheries reform in the Americas. In September 2020, Portugal strengthened its national fisheries law, becoming the second EU country to allow small-scale fisheries to be co-managed by fishermen at a national level.

Together with partners — ANP/WWF Portugal, Center for Marine Science (CCMAR) from the University of Algarve, the National Oceans and Atmospheric research institute (IPMA), and the Oceano Azul Foundation (FOA) — in Portugal, we plan to advance co-management practices in the Algarve Octopus fishery and will expand our work with EU partners to build ocean resilience. We believe that establishing a strong co-management system backed by science in this important fishery can be an example for other small-scale fisheries in southern Europe.

Protecting health with cleaner air

Air pollution is the largest environmental health risk in Europe, causing 400,000 premature deaths a year. Together with the Mayor of London, health and science experts, Environmental Defense Fund Europe launched Breathe London, a pilot project to map and measure air pollution across the capital. At the end of 2020, Breathe London was handed to a new consortium, representing a long-term commitment by the Mayor of London to ensure hyperlocal air quality monitoring remains a vital public health resource.

Supporting our ongoing advocacy efforts in London, we are sharing data analyses measuring the impact of air pollution and traffic congestion during COVID-19 restrictions as the city looks to build back better. As a result, we have developed new relationships with key NGOs and increased public awareness of the air pollution problem and Environmental Defense Fund Europe's work. The Breathe London network demonstrates how global cities can leverage lower-cost air pollution monitors to map and measure harmful pollution, enabling communities, governments and companies to take action.

Development and Operations

Jill Duggan's appointment as Executive Director for Environmental Defense Fund Europe supports a shift in focus towards the EU, supporting policymaking around the EU Green Deal. With a population of around 500 million people, the EU is pushing for net zero carbon emissions by 2050 and cuts of at least 55% against 1990 by 2030. EU decisions are important in pushing momentum for global action — from China, India and the United States. Our shift in focus to the EU brings a change in the funding landscape as well. We are increasingly pursuing 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. To deliver on the new strategic direction of EDF Europe, we are actively recruiting senior level staff, focusing on Brussels, the heart of EU policymaking, and across the EU to ensure our understanding fully reflects the economic and political diversity of the bloc. Our ambitious goals require that we hire people with the experience, networks and knowledge to fulfil our vision.

While the vaccine for COVID-19 is being distributed, staff remain working from home and will continue to do so until it is safe to reopen the office.

Financial review

Expenditure

Direct expenditure for the year ended 30 September 2020 totalled £3,790k (*2019: £2,815k).* Of the total expenditure, £2,038k was considered unrestricted (*2019: £2,188k*) and £1,752k was subject to donor restrictions (*2019: £628k*).

Stichting EDF Europe's direct expenditure was £428k (*2019: £112k*) 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 £3,766k (*2019: £2,262k)* for the year ended 30 September 2020. This included £2,187k of unrestricted funds (2019: £2,144k) and £1,579k of funds that were subject to a restriction on usage (2019: £118k).

EDF Europe ended FY2020 with an unrestricted surplus of £149k compared to a £43k deficit a year earlier.

Total funds at the end of 2019/20 were £598k (*2019: £622k).* All net assets held were considered unrestricted. Total funds at the end of financial year 2018/19 compromised unrestricted assets of £449k and restricted assets of £173k.

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 budgeted Operating Expense which is £582k (2019: £337k). 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 at 30 September 2020 amounted to £598k (2019: £449k). This includes fixed assets with a Net Book Value (NBV) of £57k (2019: £38k) that are not available for general purposes at the year-end, leaving free reserves at the year-end of £541k (2019: £411k). 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 to do 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 May 2022) guaranteeing to cover any shortfalls incurred by EDF Europe that covers the period to the end of May 2022.

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

We have shifted our focus for future work to the EU and also look to the opportunities that will arise from the change in administration in the US and the forthcoming climate talks COP26 – due to be held in Glasgow later this year, pandemic permitting.

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. We are building on the work on air quality that we have engaged with in London and around the world and have embarked on a project (SURF) to accelerate Zero Emissions Freight Zones in cities in Europe – in collaboration with POLIS, an organisation that works with European cities on sustainable urban transport.

In collaboration with US colleagues we are entering the current debate on the deployment of hydrogen to replace fossil fuels in Europe. Using a scientific evidence base and policy experience we will be seeking funding to take a much more prominent role in the discussions and policy development. We are undertaking gap analysis to focus future work on transport in the EU and also similarly on nature based solutions. We are in discussions with funders and potential partners to expand our work on air quality to Eastern European cities. We are continuing to influence the International Maritime Organisation to take more robust and more urgent action to address the impacts of global shipping and our expanded climate policy team are engaging with European Commission proposals on expansion of carbon trading to new sectors. We have recently launched a Sustainable Aviation Buyers Alliance to generate business support for alternative fuels for aviation.

Our strategy is guided by where our expertise can have the most impact but also by the regional priorities and timelines. We are focusing recruitment on a diverse staff representative of a broad range of appropriate skills and experience to ensure that the policy options we put forward are robust, appropriate and will have impact.

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 September 1 2020 through May 31, 2022.

Decisions of EDF Europe are made by the Charity's trustees, who act independently from 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) under the sole control of EDF Europe. The mission of the Stichting EDF Europe follows that of its parent organisation EDF Europe and its ultimate parent organisation, EDF Inc.

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 EDF 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:** 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 engaging external partners with specific expertise.
- **Developing robust business processes**: EDF Europe was supported by a combination of contract staff and external experts during the first years of incorporation. As the organisation continues to grow, there is a need to build internal capability to ensure that

the operating environment remains robust. This risk will be managed by mapping and recruiting long-term recruitment needs.

- **Reputational risk**. We 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

Carl Ferenbach (Chair)
18th June 2021

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 at 30 September 2020 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 2020 which comprise the consolidated statement of financial activities, the consolidated and parent charity 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 are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 Directors' Report, which are included in the Trustees' Report, has 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 misstatements 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; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities in relation to the financial statements, 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

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

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

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 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; and
  - 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; and

- We challenged assumptions made by management in their significant accounting estimates in particular 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: 21 June 2021

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 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Charitable activities:							
- Supporting the EU	**2**	2,186,075	1,578,666	**3,764,741**	2,143,873	117,500	2,261,373
Other income	**3**	1,083	-	**1,083**	415	-	415
Total income		2,187,158	1,578,666	**3,765,824**	2,144,288	117,500	2,261,788
Expenditure on:							
Charitable activities:							
- Supporting the EU	**4**	2,038,222	1,751,869	**3,790,091**	2,187,679	627,630	2,815,309
Total expenditure		2,038,222	1,751,869	**3,790,091**	2,187,679	627,630	2,815,309
Net movement in funds		148,936	(173,203)	**(24,267)**	(43,391)	(510,130)	(553,521)
Reconciliation of funds:							
Total funds brought forward		448,593	173,203	**621,796**	491,984	683,333	1,175,317
Total funds carried forward	**15**	597,529	-	**597,529**	448,593	173,203	621,796

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 2020

Company registration no. 09217493

	Note	**2020** £	**2020** £	2019 £	2019 £
Fixed assets:					
Tangible assets	**8**	**37,445**		7,908	
Intangible Assets	**9**	**19,224**		30,210	
			56,669		38,118
Current assets:					
Debtors	**11**	**1,043,075**		824,758	
Cash at bank and in hand	**17**	**132,666**		62,346	
		1,175,741		887,104	
Liabilities:					
Creditors: amounts falling due within one year	**12**	**(628,881)**		(303,426)	
Net current assets			**546,860**		583,678
Total assets less current liabilities			**603,529**		621,796
Provisions for liabilities	**13**		**(6,000)**		-
Total net assets			**597,529**		621,796
Funds					
Restricted funds	**14**		**-**		173,203
Unrestricted funds	**14**		**597,529**		448,593
Total funds			**597,529**		621,796

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 18th June 2021
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
As at 30 September 2020

Company registration no. 09217493

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets:					
Tangible assets	8	**37,444**		7,907	
Intangible Assets	9	**19,224**		30,210	
Investments	8	**1**		1	
			56,669		38,118
Current assets:					
Debtors	11	**1,041,583**		809,694	
Cash at bank and in hand	17	**132,666**		62,346	
		1,174,249		872,040	
Liabilities:					
Creditors: amounts falling due within one year	12	**(650,049)**		(302,747)	
Net current assets			**524,200**		569,293
Total assets less current liabilities			**580,869**		607,411
Provisions for liabilities	13		**(6,000)**		-
Total net assets			**574,869**		607,411
Funds	14				
Restricted funds			**-**		173,203
Unrestricted funds	14		**574,869**		434,208
Total funds			**574,869**		607,411

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 deficit for the year was £32,542 (2019: £567,905 deficit).

Approved by the trustees on 18th June 2021
and signed on their behalf by:

Carl Ferenbach (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 2020

	2020 £	2019 £
Net cash provided by operating activities	105,885	17,750
Cash used in investing activities	(35,565)	(9,183)
increase in cash and cash equivalents in the year	70,320	8,567
Cash and cash equivalents at the beginning of the year	62,346	53,779
Cash and cash equivalents at the end of the year	132,666	62,346

Reconciliation of net expenditure to net cash flow from operating activities	**2020** **£**	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	**(24,267)**	(553,521)
Amortisation charge	**10,986**	10,986
Depreciation charge	**6,028**	1,275
(Increase) / decrease in debtors	**(218,317)**	436,124
Increase in creditors	**325,455**	122,886
Increase in provisions	**6,000**	-
Net cash provided by operating activities	**105,885**	17,750

Cashflow from investing activities

Purchase of Tangible Fixed Assets	**35,565**	(9,183)
	35,565	(9,183)

Changes in Net Funds	At 01 October 2019 £	Cash Flows £	Non-cash changes £	**At 30 September 2020** **£**
Cash at bank and at hand	62,346	70,320	-	**132,666**
Net cash	**62,346**	**70,320**	**-**	**132,666**

The attached notes form part of the financial statements.

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 wholly owned 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 May 2022. 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.

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 (2019: £5,000) 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.

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

In preparing these financial statements, the trustees have made the following judgements: Determine whether conditions included in income from grants have been met. In forming this judgement, trustees considered that conditions relating to a grant from the Children's Investment Fund Foundation had not been fully met and entitlement to the associated income had not unconditionally passed. Income of £91,153 has therefore been deferred until such time that the conditions have been fully satisfied. Otherwise, the trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure other than those already described within note 1.

2 Donations and Grants

Supporting the EU	Unrestricted £	Restricted £	**2020 Total £**	2019 Total £
EDF	2,152,005	-	**2,152,005**	2,089,873
Thirty Percy	-	150,000	**150,000**	-
Alta Advisers	-	-	**-**	50,000
Anonymous Major Gift UK	-	-	**-**	24,000
Clean Air Fund	-	904,201	**904,201**	-
Children's Investment Fund Foundation	-	406,097	**406,097**	-
Frederick Mulder Foundation	25,000	-	**25,000**	25,000
Fundacion SHA	-	3,297	**3,297**	-
Levine Family Foundation	-	2,400	**2,400**	-
Oceano Azul Foundation	-	-	**-**	22,500
Other Donations	9,070	-	**9,070**	-
Rodel Foundation (via EDF Inc.)	-	110,671	**110,671**	-
SEM Charitable Trust	-	-	**-**	45,000
Diego and Veronique De Giorgi	-	2,000	**2,000**	5,000
Total for Supporting the EU	2,186,075	1,578,666	**3,764,741**	2,261,373

Of the total Donations and Grants recognised in 2019, £117,500 was considered restricted. A breakdown of this income can be found in note 15.

Analysis of turnover by country of detination	**2020 Total £**	2019 Total £
United Kingdom	**1,473,768**	124,000
Rest of Europe	**28,297**	47,500
Rest of the world	**2,262,676**	2,089,873
	3,764,741	2,261,373

3. Other Income

	Unrestricted £	Restricted £	**2020 Total £**	2019 Total £
Interest Receivable	1,083	-	**1,083**	415

4 Analysis of expenditure

	Charitable activities Supporting the EU £	Support costs £	Governance costs £	**2020 Total £**	2019 Total £
Staff costs	1,449,967	-	-	**1,449,967**	1,231,564
Professional fees	2,032,873	-	-	**2,032,873**	989,763
Staff travel	23,016	-	-	**23,016**	206,906
Rent	-	133,072	-	**133,072**	135,315
Office costs	-	54,657	-	**54,657**	101,637
Meetings	-	19,483	-	**19,483**	65,055
Subscriptions	-	11,611	-	**11,611**	43,749
General Administration	-	34,012	-	**34,012**	9,855
Audit and accounts fee	-	-	31,400	**31,400**	31,465
	3,505,856	252,835	31,400	**3,790,091**	2,815,309
Support costs	252,835	(252,835)	-	**-**	**-**
Governance costs	31,400	-	(31,400)	**-**	**-**
Total expenditure 2020	**3,790,091**	**-**	**-**	**3,790,091**	**-**
Total expenditure 2019	2,815,309	**-**	**-**	-	2,815,309

Of the total expenditure, £2,038,222 was unrestricted (2019: £2,187,679) and £1,751,869 was restricted (2019: £627,630).

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.

5 Net expenditure for the year

This is stated after charging:	**2020**	2019
	£	£
Operating lease rentals:		
- Property	**133,072**	135,315
Depreciation	**6,028**	1,275
Amortisation	**10,986**	10,986
Auditor's remuneration:		
- Audit fees	**26,500**	31,465

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

Staff costs were as follows:	**2020**	2019
	£	£
Salaries and wages	**917,228**	654,682
Social security costs	**108,280**	74,389
Employer's contribution to defined contribution pension schemes	**84,127**	46,634
Other staff costs	**340,332**	455,859
	1,449,967	1,231,564

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

	2020	2019
	No.	No.
£60,000 - £69,999	1	-
£70,000 - £79,999	1	-
£80,000 - £89,999	1	-
£90,000 - £99,999	-	-
£100,000 - £109,999	2	1
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	-	1
£140,000 - £149,999	-	-
£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 £313,132 (2019: £378,901). Key management personnel were determined to be the interim Managing Director (MD), Executive Director (ED) and Director of Development in 2020, in line with the prior year period.

Staff costs relating to Stichting Environmental Defense Fund Europe totalled £185,552 (2019: £65,637) and are included within other staff

Redundancy and termination costs relating to employees were £105,051 (2019: £16,131).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2019: £nil) neither were they reimbursed expenses during the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Staff numbers

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

	2020	2019
	No.	No.
Charitable activities	15	14
	15	14

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	9,182	1	**9,183**
Additions in year	35,565	-	**35,565**
Disposals in year	-		**-**
At the end of the year	44,747	1	**44,748**
Amortisation			
At the start of the year	1,275	-	**1,275**
Charge for the year	6,028	-	**6,028**
Eliminated on disposal	-		**-**
At the end of the year	7,303	-	**7,303**
Net book value			
At the end of the year	37,444	1	**37,445**
At the start of the year	7,907	1	**7,908**

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	43,942	**43,942**
Amortisation		
At the start of the year	13,732	**13,732**
Charge for the year	10,986	**10,986**
Eliminated on disposal	-	**-**
At the end of the year	24,718	**24,718**
Net book value		
At the end of the year	19,224	**19,224**
At the start of the year	30,210	**30,210**

All of the above assets are used for charitable purposes.

10 Stichting Environmental Defense Fund Europe

Stichting EDF Europe is an independent registered charity under the laws of The Netherlands (Chamber of Commerce Registration number 72607440) and a company limited by guarantee, incorporated in The Netherlands (Fiscal identity company number 859171814), located at Reguliersgracht 79, 1017 LN Amsterdam, The Netherlands. Summary results for Stichting EDF Europe are included in notes 19 and 20.

11 Debtors

	Group 2020 £	Group 2019 £	**Parent Charity 2020 £**	Parent Charity 2019 £
Other debtors	**9,334**	210,518	**9,334**	210,518
Amounts owed by EDF Inc.	**946,123**	562,414	**946,123**	548,842
Prepayments	**49,755**	51,826	**48,263**	50,334
Accrued income	**37,863**	-	**37,863**	-
	1,043,075	824,758	**1,041,583**	809,694

12 Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	**Parent Charity 2020 £**	Parent Charity 2019 £
Trade creditors	**69,331**	58,713	**68,604**	58,034
Other creditors	**35,761**	35,500	**35,761**	35,500
Accruals	**386,563**	62,899	**386,563**	62,899
Amounts owed to group undertakings	**-**	-	**21,895**	-
Taxes and Social Security	**29,573**	146,314	**29,573**	146,314
Deferred income	**107,653**	-	**107,653**	-
	628,881	303,426	**650,049**	302,747

13. Provisions for liabilities

	Group 2020 £	Group 2019 £	**Parent Charity 2020 £**	Parent Charity 2019 £
Opening balance	**-**	-	**-**	-
Additions	**6,000**	-	**6,000**	-
Amounts charged against the provision	**-**	-	**-**	-
Closing balance	**6,000**	-	**6,000**	-

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. The £5k dilapidations in FY2018/19 related to the old London property and this was recognised within accruals.

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

	Unrestricted £	Restricted £	**Total funds £**
Tangible fixed assets	56,669	-	**56,669**
Net current assets	546,860	-	**546,860**
Provisions for liabilities	6,000	-	**6,000**
Net assets at the end of the year	609,529	**-**	**609,529**

Analysis of net assets between funds - previous year

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	38,118	-	38,118
Net current assets	410,475	173,203	583,678
Net assets at the end of the year	448,593	173,203	621,796

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

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

Analysis of net assets between funds - previous year

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	38,118	-	38,118
Net current assets	396,090	173,203	569,293
Net assets at the end of the year	434,208	173,203	607,411

15 Movements in funds - current 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)	-	-
Fundacion 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	(2,038,222)	-	**597,529**
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 - current 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)	-	-
Fundacion 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**

Movements in funds - prior year (Group)	At 01 October 2018 £	Income £	Expenditure £	Transfers £	**At 30 September 2019 £**
Restricted funds:					
C40 Group	683,333	-	(560,130)	-	**123,203**
Alta Advisers	-	50,000	-	-	**50,000**
SEM Charitable Trust	-	45,000	(45,000)	-	**-**
Oceano Azul Foundation	-	22,500	(22,500)	-	**-**
Total restricted funds	**683,333**	**117,500**	**(627,630)**	**-**	**173,203**
Unrestricted funds:					
General funds	491,984	2,144,288	(2,187,679)	-	**448,593**
Total unrestricted funds	**491,984**	**2,144,288**	**(2,187,679)**	**-**	**448,593**
Total funds	**1,175,317**	**2,261,788**	**(2,815,309)**	**-**	**621,796**

Movements in funds - prior year (Parent Charity)	At 01 October 2018 £	Income £	Expenditure £	Transfers £	**At 30 September 2019 £**
Restricted funds:					
C40 Group	683,333	-	(560,130)	-	**123,203**
Alta Advisers	-	50,000	-	-	**50,000**
SEM Charitable Trust	-	45,000	(45,000)	-	**-**
Oceano Azul Foundation	-	22,500	(22,500)	-	**-**
Total restricted funds	**683,333**	**117,500**	**(627,630)**	**-**	**173,203**
Unrestricted funds:					
General funds	491,984	2,018,238	(2,076,014)	-	**434,208**
Total unrestricted funds	**491,984**	**2,018,238**	**(2,076,014)**	**-**	**434,208**
Total funds	**1,175,317**	**2,135,738**	**(2,703,644)**	**-**	**607,411**

16 Operating lease commitments

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

	2020 £	2019 £
Less than 1 year	**270,874**	235,680
2 - 5 years	**908,356**	1,083,958
Greater than 5 years	**-**	94,967
	1,179,230	1,414,605

17 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.

18 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 £2,152,005 (2019: £2,089,873) from EDF Inc. Included within debtors falling due within one year is an amount owed at the end of the year by EDF Inc. of £946,123 (2019: £562,414). Included within the grant from EDF Inc was £325,000 which was subsequently regranted to the Stichting. At the end of the year a creditor balance of £21,895 was owed by EDF Europe to the Stichting.

Bryony Worthington, CEO, left employment on December 2019. The Charity paid termination payments of £88k (£45k contractual and £43k ex-gratia payment).

19 Stiching EDF Statement of Financial Activities

	2020			2019		
	Unrestricted £	**Restricted £**	**Total £**	Unrestricted £	Restricted £	Total £
Income from:						
Donations and grants	325,435	110,671	**436,106**	126,050	-	126,050
Total income	325,435	110,671	**436,106**	126,050	-	126,050
Expenditure on:						
Charitable activities	317,160	110,671	**427,831**	111,665	-	111,665
Total expenditure	317,160	110,671	**427,831**	111,665	-	111,665
Net movement in funds	8,275	-	**8,275**	14,385	-	14,385
Reconciliation of funds:						
Total funds brought forward	14,385	-	**14,385**	-	-	-
Total funds carried forward	22,660	-	**22,660**	14,385	-	14,385

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.

20	**Stiching EDF Balance Sheet**	**2020**	**2020**	2019	2019
		£	**£**	£	£
	Current assets:				
	Amounts due from parent	**21,895**		15,065	
	Prepayments	**1,491**		-	
	Cash at bank and in hand	**-**		-	
		23,386		15,065	
	Liabilities:				
	Creditors: amounts falling due within one year	**(727)**		(680)	
	Net current assets		**22,660**		14,385
	Total net assets		**22,660**		14,385
	Funds				
	Restricted funds	**-**		**-**	-
	Unrestricted funds:				
	General funds	**22,660**		14,385	
	Total unrestricted funds		**22,660**		14,385
	Total funds		**22,660**		14,385

Carl Ferenbach (Chair)
18th June 2021