

ENVIRONMENTAL FUNDERS NETWORK

England & Wales · Charity number 1181318

Details

Status Registered

Legal form CIO

Registered 2018-12-21

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: THE PROMOTION OF THE EFFECTIVE USE OF RESOURCES FOR CHARITABLE PURPOSES BY CHARITABLE AND NON-CHARITABLE BODIES IN THE ENVIRONMENTAL SECTOR, BEING THE PART OF THE VOLUNTARY SECTOR CONCERNED WITH THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT, FOR THE BENEFIT OF THE PUBLIC BY:(A) LIAISING WITH, RESEARCHING AND ACTING AS A FORUM FOR THE EXCHANGE OF INFORMATION BETWEEN, ORGANISATIONS WORKING IN THE ENVIRONMENTAL SECTOR, IN ORDER TO IDENTIFY HOW THE SECTOR MIGHT BETTER ACHIEVE CHARITABLE PURPOSES IN CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT, INCLUDING BUT NOT LIMITED TO IDENTIFYING FUNDING GAPS AND GAPS IN SERVICE PROVISION IN THE SECTOR;(B) PROVIDING ADVICE AND INFORMATION TO EXISTING AND POTENTIAL FUNDERS OF CHARITIES AND NON CHARITABLE BODIES WORKING IN THE ENVIRONMENTAL SECTOR TO ENCOURAGE THEM TO INCREASE THEIR FUNDING AND TO PROVIDE FUNDING IN A WAY WHICH INCREASES THE EFFECTIVE APPLICATION OF FUNDING FOR CHARITABLE PURPOSES BY THE ENVIRONMENTAL SECTOR;(C) PROVIDING CHARITIES WORKING IN THE ENVIRONMENTAL SECTOR WITH STRATEGIC AND FUNDRAISING ADVICE; AND(E) SUCH OTHER MEANS AS THE CHARITY TRUSTEES SHALL FROM TIME TO TIME THINK FIT.

Activities: EFN brings together trusts, foundations, family offices and individual donors. Our activities take place in the UK and include convening, research, publications and newsletters to foster more effective environmental philanthropy and encourage more support for environmental causes. Separately, we convene

fundraisers and others in the sector to help them collaborate and learn from one another.

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£922,785	£810,801	£681,276	9
2023-12-31	£714,393	£621,250	£569,292	8
2022-12-31	£541,639	£473,596	£476,149	8
2021-12-31	£519,390	£442,714	£408,106	6
2020-12-31	£367,209	£253,528	-	-

Trustees

Name	Role	Appointed
Ashley Elizabeth Erdman		2024-07-02
CATHERINE SUSAN BRYAN		2018-12-21
Elizabeth Hilary Gadd		2025-03-10
Fiona Almyrie Napier		2020-09-01
Hugh Mehta		2021-12-09
Nicholas James Addington		2023-06-20
Richard Ian Elliott		2024-07-02

ENVIRONMENTAL FUNDERS NETWORK

England & Wales - Charity number 1181318

Accounts



Annual Report and Accounts

Year Ended 31 December 2024

Registered Charity Numbers: 1181318 and SC050579

Environmental Funders Network

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Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2024

The trustees present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Our mission and vision

Environmental Funders Network ('EFN') aims to increase the levels of philanthropic support for environmental causes and to improve its overall effectiveness.

Our vision is of a world where people and planet thrive.

Our activities and goals

- We are a network of, and for, funders and advisors with an interest in the environment, supporting the whole philanthropic ecosystem, from individual donors and private foundations to intermediaries, pooled funds, and philanthropy and wealth advisors.
- We also support those working on and fundraising for environmental issues.
- We create connections between people funding or working on environmental issues, and bolster their agency, ambition, and effectiveness.
- We are UK-based, with a UK and international outlook.

We have three goals, or workstreams, aligned with our mission:

1. **Growing environmental philanthropy** (encouraging new donors to support environmental causes, and established donors to increase their giving)
2. **Improving the effectiveness of environmental funding**
3. **Supporting environmental groups**

Environmental Funders Network

Our work

We use several approaches within each pillar of our work:

- Research to understand patterns of grant making, gaps, and the priorities and needs of the sector
- Convening to create, build and strengthen relationships between funders, between environmental groups, and between funders and environmental groups
- Publications and other products to inform, inspire and motivate funders and the wider sector
- Informational talks, workshops, field trips and retreats to input from a range of experts and practitioners

We aim to provide leadership in our programming and push boundaries, where we feel necessary.

We have set of ten guiding principles – these are being guided by nature, future focussed and urgent, impact-orientated, accessible, committed to plurality, collaborative, evidence-led, systemic, amplifying, and modelling the change.

The objects of the charity

The object of the Environmental Funders Network is the promotion of the effective use of resources for charitable purposes by charitable and non-charitable bodies in the Environmental Sector, being the part of the voluntary sector concerned with the conservation, protection and improvement of the physical and natural environment, for the benefit of the public by:

- a. liaising with, researching and acting as a forum for the exchange of information between organisations working in the Environmental Sector, in order to identify how the sector might better achieve charitable purposes in conservation, protection and improvement of the physical and natural environment, including but not limited to identifying funding gaps and gaps in service provision in the sector;
- b. providing advice and information to existing and potential funders of charities and non-charitable bodies working in the Environmental Sector to encourage them to increase their funding and to provide funding in a way which increases the effective application of funding for charitable purposes by the Environmental Sector;
- c. providing charities working in the Environmental Sector with strategic and fundraising advice; and
- d. such other means as the charity trustees shall from time to time think fit.

Environmental Funders Network

Public benefit

EFN's trustees have given due regard to the guidance issued by the Charity Commission on public benefit. They consider that EFN's activities and achievements, outlined in this report, demonstrate considerable benefit to the environmental philanthropic sector, both in making it more effective and expanding it (encouraging new donors to support environmental causes, and established donors to increase their giving). In addition, EFN's work has supported those working on and fundraising for environmental issues to be more effective. By helping to ensure that environmental work is better resourced and supported, EFN provides clear public benefit to all.

ACHIEVEMENT AND PERFORMANCE

Main achievements of the charity during the year

EFN's work is divided into three strands. We have outlined our work in each one below:

Pillar 1: Growing environmental philanthropy

This strand of our work is focused on funders who do not currently give to the environment and those who have the capacity to give more. We inspire them to act and help them develop the agency to do so.

Our initiatives raise awareness of the need for environmental philanthropy, highlight its catalytic power, and help funders of other issues see how the environment connects to the themes they already focus on. We also advise and support new donors, often in partnership with other networks, particularly focusing on the intersections between the environment and other social issues.

Our activities and achievements include:

- **Connecting and engaging** with new givers through networking, partnerships, events and workshops.

We work to raise the profile of environmental philanthropy and to connect and engage with trusts, foundations and individuals who have the capacity to start giving, or to give more to environmental causes. In 2024, this included: events as part of our Arts for Life series at galleries in Liverpool and Sussex, a field visit to Somerset to learn about rewilding, a stand and panel discussion at the Blue Earth Summit conference, a dinner for 'next gen' philanthropists to explore how we might engage with this community and articles in targeted media.

'Thank you all very much for a fascinating day out both at Heal and Cannwood. I learnt a lot and felt very inspired.' -
Event participant

Environmental Funders Network

We engage with other funding networks across the UK and support their members to start giving to environmental causes: running workshops, hosting meetings and speaking on panels. In 2024 this included: co-hosting the Everyone's Environment Funder Learning Group with New Philanthropy Capital, running four online sessions for funders, running online workshops for the Greater Manchester Funders Forum, Wales Funders Forum, and Green Angel Ventures, participating on panels at a climate conference organised by Community Foundation Ireland, and at the UK Community Foundations annual conference, running a workshop at the Yorkshire Funders Forum annual conference and hosting a workshop for visiting funders from Philanthropy Australia.

- **Providing support and resources** to new environmental givers and to those who want to give more. This includes providing inspiration and resources, giving bespoke advice, making introductions to other funders, and referrals to other organisations who can help. Our new website offers clear advice to funders who are new to environmental causes, plus carefully curated resources. We work closely with a number of partners to provide this support, including Impatience Earth, Active Philanthropy, Climate Lead and the Funder Commitment on Climate Change.
- **Working with wealth and philanthropy advisors** through research, resources, 1-1 support and events. In 2024, we published a new research report, [Exploring the role of wealth advisors in green giving](#), and ran an online launch event.
- **Supporting the Big Give's Green Match Fund campaign** to raise millions for environmental causes. A collaboration between the Big Give and EFN, the [Green Match Fund](#) is a unique match funding campaign that raises much needed funds for environmental charities. We launched this campaign in partnership with the Big Give in 2021, and since then, it has raised £15 million for hundreds of environmental charities. Trusts, foundations, companies and individual donors (including many EFN members) provide match funding which is then doubled by the public during the week of the campaign. The Green Match Fund always goes live for a week across World Earth Day on 22 April. In 2024, over £3 million was raised in match funding prior to campaign week. By the end of the campaign, the Green Match Fund had raised £6,401,156 for [247 charities](#).
- Continuing our partnership with the Esmée Fairbairn Foundation to deliver the learning programme of the [Environmental Finance & Learning Fund \(EFLF\)](#) for a third year. EFLF brings together a group of 15 small trusts, foundations and individual funders who wish to learn more about environmental impact investing. These participants donated a combined total of £679k which Esmée matched 3:1 providing a total fund of £2.7m to invest into environmental projects aligned with Esmée's aim to improve the natural world.

Environmental Funders Network

Pillar II: Improving the effectiveness of environmental funding

The effectiveness of environmental giving is critically important. EFN's *Where the Green Grants Went 9* research and exploration of effective funder/fundraiser relationships has shown that there are good practices to replicate and inefficiencies to address.

The current scattergun approach to funding is inadequate to solve environmental issues, especially in the context of growing disinformation and political division. Our events and research support funders to allocate their funds more effectively, strengthen their impact and connect them with one another.

'Your support and work has very quickly become a very integral and vital part of the funding support landscape – the connections and collaborations that are happening now I don't think could or would have happened before.' - EFN Member

Our activities and achievements include:

- **Funder events** - a mix of online and in-person events for EFN members to help different types of funders understand the wide range of environmental issues and what role funders can take. We ran 70 funder events in 2024, with a total of 501 attendees, and 187 funder organisations represented. 1,080 people (a 10% increase year on year) subscribe to our funder newsletter which has a 55% open rate.
- **EFN Retreat** - our annual retreat for EFN members allows them to spend quality time reflecting on key environmental issues, connect with nature and plan collaboration. 64 members headed for a 3-day retreat at Dartington Hall in 2024.
- **Earth Funding Lab** - in partnership with the Bio-Leadership Project, the Lab fosters new ways of working that support more collaborative and systemic approaches to philanthropy. As of end-2024, 25 funders have engaged with the Lab, and at least 10 have expressed interest in joining the next cohort.
- **Funder Interest Groups** - led by funders, these groups focus on a specific theme to help funders collaborate and coordinate philanthropic action around the theme. We are delighted that three EFN-led Funder Interest Groups are now active (Climate, Freshwater and UK Overseas Territories). Additionally, outside of EFN we have seen funders self-organise around a number of themes, including urban greening, chemicals, the marine environment, regenerative agriculture and many more.
- **Environmental Impact Investing Group (EIIG)** - a pilot programme that helped educate EFN members and other funders on impact investing. In 2024, we had 95 participants join the EIIG pilot with just under 30 joining all activities. 94% of participants reported that their understanding of how impact investing works has improved.
- **Research** - our research helps funders understand the environmental philanthropy ecosystem, where gaps are and how we can work more effectively as a sector. In the ninth edition of our **Where the Green Grants Went** report series, we analyse over 6,555 grants awarded by UK foundations and lottery sources to environmental causes in 2021/22. The online launch event was attended by over 130 participants, and the report has been downloaded 1,142 times.

Environmental Funders Network

*'WTGGW enables us to show trustees the importance of continued funding, especially in 'Cinderella' areas'- EFN Member
'Highly recommend this as essential reading to those working in (and giving to) environmental organisations!' - Fundraiser*

Pillar III: Supporting environmental groups

This work pillar focuses on supporting environmental groups to become more effective. We have three main objectives: funding, communication and connectivity. Our ambition is to see an interconnected, resilient and impactful sector with a broad reach and sufficient funding. Towards this aim, we host a popular 'Green Fundraisers Forum' and run various research projects.

'As someone recently joining the environmental funding sector, I've found the knowledge, networks, and experience of the Green Fundraisers Forum invaluable. The Slack channel is a "go to" place for me when I want to connect, ask questions, and find answers. The newsletter is always informative ensuring we're up to date with opportunities, and the bimonthly meetings are a great place to network and share experiences. Thank you!' – Green Fundraisers Forum Member

Our activities and achievements include:

- **Green Fundraisers Forum** – our online community provides a space for UK and international fundraisers from the environment sector to connect and learn. With a thriving online community, events (in-person and online) and resources, the GFF supports collaboration and knowledge-sharing across the sector. There are over 900 fundraisers on the Slack channel and, during 2024, 350+ fundraisers from 250+ organisations attended our events. Subscribers to our GFF newsletter increased by 46% (to 1,234) and its open rate is 58%.
- **Funder-fundraiser relationships** – research, events and networking to help improve the efficiency of interactions between funders and fundraisers. In early 2024, we ran an interactive session and survey with the GFF to ask about the challenges they face and examples of solutions to these and best practices. The answers to these questions formed the basis of our report: ***Increasing the effectiveness of environmental funder-fundraiser relationships***. The report aimed not only to focus on challenges faced by fundraisers, but also to increase the effectiveness of the funding ecosystem, ensuring maximum impact for every pound spent.
- **Rapid Response Fund** – a funding mechanism created with our members to help them respond swiftly to environmental groups facing unexpected opportunities or unanticipated crises. Over the last few years, we have been delighted to see the RRF gain in popularity. Unfortunately, we found that demand began to increasingly outstrip supply, and it became difficult to fulfil its original purpose. Consequently, we decided to pause the RRF in July 2024 to give us the time and space to gather feedback and reconsider its design. Prior to the RRF's pause, participating funders provided **£150,250** in funding to **22** applicants in 2024.
- EFN houses **Inter-Narratives**, a community for people who work on (or are curious about) narrative change and the role it plays in system change.

Environmental Funders Network

- We also run a collaboration with the **Sustainable Wellbeing Environment Network (SWEN)**. The SWEN addresses a critical need within the environmental sector: the wellbeing of both individuals and organisations. It brings together funders, fundraisers and leaders from across the environmental movement to explore and address the factors affecting sector wellbeing.

EFN in Scotland

Given its wealth of habitats and species, work to protect and restore Scotland's environment is vital, but has long been underfunded by private philanthropy. EFN works to support funders and fundraisers who are focused on supporting nature for everyone's benefit in Scotland. Our bespoke Scotland programme is a microcosm of our wider work tailored to the specific context in Scotland. The programme continues to flourish, thanks in no small part to the invaluable input and extended reach of members of our Scotland Advisory Group.

Our activities and achievements include:

- **Events:** we organised **four** in-person gatherings and **one** online event, attended by **133** people of whom over **84%** were funders or philanthropy advisors. This included our established and well-attended flagship annual event, our **Scottish Funders Reception** - this year's reception and networking event in Edinburgh was our biggest event in Scotland so far. We've also created a rhythm of **annual funder field trips** with two successful events under our belt in different parts of Scotland. 2024's **field trip was a 2-day one from Edinburgh to Fife** - 17 funders and donors enjoyed visiting some of the best local environmental projects and initiatives.
- **Relationship-building:** we connected with, and supported, scores of individual funders, eNGOs and their networks across Scotland and undertook more in-depth work for the National Lottery Community Fund, The Robertson Trust and the new Independent Fund for Human Rights.
- **Funding:** almost £500,000 was secured through **Big Give's Green Match Fund** for 25 Scottish charities and projects – a significant increase from last year, when £250,000 was raised for 15 Scottish charities and projects.

'The huge range of things we saw, from regeneration projects on the ground, rural and then urban, and the creative arts element to finish with, felt like a really fascinating combination.' - Field trip participant

Monitoring our impact

As the above text indicates, we track our impact with a mixture of quantitative and qualitative data. Quantitative data (tracked through our *Where the Green Grants Went* series, as well as our monitoring of our activities) helps us see how much grant funding to environmental issues is increasing, how many funders we are supporting to give more effectively, and how many people and organisations working on environmental issues we are supporting with convening and resources.

Environmental Funders Network

Alongside those numbers, we get clear insights into the difference we are making through written and oral feedback from our members about the value we add to the ecosystem of environmental actors in the UK.

We know from the latest data (*Where the Green Grants Went 9*) that grant giving to the environment has risen significantly in recent years, with foundation funding growing nearly three-fold in the three years up to 2021-22, and we are proud to have played a part in that. Of the 40 funders who responded to our 2025 member survey, 60% reported that their environmental giving had increased in the last three years; 58% of these said that their involvement in EFN had contributed to this increase. Two thirds of respondents reported that EFN inspires them to give more to environmental causes.

In addition, feedback from our members suggests we are highly valued in terms of the support we provide funders to improve the effectiveness of their giving. In our members survey, 98% of respondents said that EFN helps them learn about key environmental philanthropy issues, approaches and gaps; 85% that EFN helps them understand how to support environmental work effectively; and 86% that EFN staff have provided them with useful guidance. Asked to describe what EFN offers to funders, respondents said:

'Essential source of expertise, knowledge, (and) networking.'

'Clear, accessible and insightful information about the general landscape of funding. A really welcoming organisation and convener of interesting and enjoyable sessions and events.'

'A valuable source of information about funding opportunities, needs and best practice.'

'A wonderful welcoming space to learn, be inspired and challenged.'

'A true network. EFN is excellent at convening and informing funders about trends and issues in environmental funding, then encourages collaboration.'

This feedback complements our ongoing data collection to monitor the number of people who engage with our events, publications and other communications. For example, as noted in the previous section, a total of 501 people attended the 70 funder events we ran in 2024, representing 187 funder organisations; 1,080 people subscribe to our funder newsletter, which has a 55% open rate.

We also provide support for charities and other organisations operating in the environment sector. Over 900 fundraisers participate in the Green Fundraisers Forum (GFF) Slack channel and 350+ fundraisers from 250+ organisations attended our events in 2024; 1,234 people subscribe to our GFF newsletter, which has an open rate of 58%.

Our publications in 2024, *Where the Green Grants Went 9*, *Increasing the effectiveness of funder-fundraiser relationships* and *Exploring the role of wealth advisors in green giving* were downloaded 1,142, 374 and 165 times, respectively. EFN has 5,939 followers on LinkedIn and 153 on Instagram.

As set out in EFN's theory of change, we anticipate that engaging our target audiences in the ways we have outlined above will contribute to our organisational objectives by increasing these individuals' awareness, skills, knowledge and networks, building their sense of agency and inspiring them to act.

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We can see that there are plenty of ways in which funder effectiveness might continue to improve – and likewise that there is considerable room in the system for more funding for environmental causes – and therefore we continue to see a significant need for the support we provide to funders and the wider environment sector.

Organisational development

Oscar Brennecke-Dunn joined us in January 2024 as Events Programme Coordinator. Florence Miller stepped down in September 2024 after 12 years as EFN Director and having grown EFN into the impactful convening organisation it is today, building a wonderful team with a creative, open and generous culture. The trustees led the recruitment process to hire the next leader of EFN (with the help of a recruitment consultant), and Nick Gardner was appointed as Executive Director and joined the team towards the end of February 2025. Nick was Head of Climate Action with the National Lottery Community Fund and has been an active member of EFN for some time. We were very grateful that Liz Gadd, EFN trustee, agreed to provide cover as Interim Director – she stepped down from her trustee role from August 2024 until March 2025 to be able to do this. The EFN team all work from home and in 2024 we have enjoyed scheduled regular ‘working together’ days which bring us together at least quarterly.

We welcomed two new trustees in 2024. Ashley Erdman and Richard Elliott were appointed in July 2024. Ashley is currently the Grants Manager at Farming the Future and brings experience on a range of issues including challenging corporate power, food systems, right to water, international debt, gender, and climate justice. Richard is a co-founder of The Pickwell Foundation – a two-family charitable Foundation that is a longstanding member of EFN and has a particular interest in grant funding to support policy, advocacy and legal strategies to raise UK ambition on addressing the climate emergency. Sian Ferguson and Champa Patel both left the Board in 2024 at the end of their terms – Sian after over 5 years and Champa after nearly 3 years – we give our thanks for their valuable contribution over that time.

EFN launched a new [website](#) in October 2024. Whether a user is new to green giving, an EFN member, an advisor, or a green fundraiser, they can now find useful and relevant information about environmental funding and fundraising easily and quickly. We’ve also rejuvenated the resources, blog and event pages, so a user can see everything EFN has to offer and importantly, how they can get involved. We also developed a new EFN brand and identity. Our hope is this new look and feel better reflects who EFN are and shares the wide range of EFN’s work in a clearer and more engaging way.

EFN is committed to the principles of **justice, equity, diversity and inclusion (JEDI)**. We recognise that injustice and inequity are at the root of environmental degradation: without addressing them, we cannot support transformational change, whether on climate, biodiversity or any other environmental issue. We also recognise that the chronic lack of diversity within philanthropy and the UK environmental sector severely limits the sector’s effectiveness.

Environmental Funders Network

What we did in 2024:

- We published our data with the **RACE Report** in early 2024 and are using that along with the **Wildlife and Countryside Link's Route Map Towards Greater Ethnic Diversity** to prioritise our JEDI activities for the rest of the year.
- Following the recommendations from the RACE Report card, we ran a racial pay gap analysis for review by our trustees in 2025 and improved the accessibility on the EFN website.
- We provided opportunities for environmental organisations and initiatives led by people from marginalised communities to raise funds for their work.
- We continue to give a platform to people from Most Affected People and Areas (MAPA) communities to present to funders, via events, publications and other communications.

FUTURE PLANS

Our ambitious and adaptive strategy for 2025 as part of our ongoing 2023–2026 strategic cycle is published on our website [here](#). The plans revolve around our **three core pillars (outlined earlier), along with** a new stream of **cross-pillar projects**.

Pillar I: Growing environmental philanthropy

EFN aims to increase the scale and ambition of environmental giving, especially in a time of urgent need:

- **Increase outreach** to new and existing donors via events, campaigns, 1:1 meetings, and field trips.
- Continue to **support the Green Match Fund** and expand partnerships for a major national campaign by 2026.
- **Grow engagement with wealth and philanthropy advisors**, building on our "Exploring the Role of Wealth Advisors" report.
- Launch a **"Giving Our All" campaign and publication** to inspire ambitious environmental giving.
- Develop communications campaigns and refresh donor mapping to better reach diverse funder communities.

Pillar II: Improving the effectiveness of environmental funding

EFN will ensure that existing and future funding achieves greater impact, by:

- Disseminating the findings from the **"Where the Green Grants Went 9"** and **funder-fundraiser relationship** reports.
- Hosting events, workshops, and retreats to share best practices, explore emerging issues, and foster collaboration.
- Launching new initiatives like a **book club** and experimental event series on underfunded "Cinderella" issues (e.g. toxics, freshwater).
- Highlighting the intersections between environmental and social justice issues.
- Helping funders navigate misinformation and the rapidly changing national and global political landscapes.

Environmental Funders Network

Pillar III: Supporting environmental groups

EFN's support for environmental NGOs will continue to deepen. We will:

- Manage and grow the **Green Fundraisers Forum (GFF)** community (now over 1,000 members).
- Run events, training, newsletters, and a Slack community to share opportunities and build connections.
- Launch a **fundraising handbook** and host a related event series.
- Plan a **nature-focused retreat for fundraisers** in Summer 2025.
- Continue collaborations with partners like The Funding Network.

Cross-Pillar Projects

We will develop current projects and launch new initiatives that cut across multiple areas:

- Relaunch the Rapid Response Fund for urgent environmental action.
- Develop a strategy for the **Earth Funding Lab** and onboard a third cohort.
- Conduct new research into **challenges faced by funders**, complementing existing fundraiser insights.
- Grow the **funder directory** and make it more interactive.
- Launch a **JEDI-focused learning series and discussion groups**.
- Start development on an **AI tool** to map and navigate the UK environmental sector.

EFN Scotland

Recognising Scotland's unique context:

- Host networking events, including a **reception at the Scottish Parliament**.
- Launch a new **briefing on Scottish philanthropy trends**.
- Explore new funding mechanisms for **river restoration and rainforest expansion**.
- Secure funding to pilot a **Scotland-focused leadership programme** in partnership with I.G. Advisors

FINANCIAL REVIEW

Income

EFN's income is mainly a mixture of grants, and voluntary membership contributions (following a sliding scale based on how much each member gives out in environmental grants themselves over an annual period). We also receive income for fees towards the cost of our annual members' retreat/conference, for some of our workshops, for coordinating the Environmental Finance & Learning Fund and for the occasional piece of research work.

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The income received from membership contributions in 2024 rose by 5% to £354,507 (2023: £337,608). The number of contributing members fell slightly from 110 to 99 year on year, and the increase in income is due to the welcome increase in amounts contributed especially by some larger members of the network. Together with grants, donations and fee income, the total unrestricted fund income in 2024 rose to £649,234 (2023: £511,823), a 27% increase.

Restricted fund income also rose in 2024 to £273,551 (from £202,570 in 2023). This income includes grants and membership donations which are restricted to be spent on our core work. This restricted core funding grew a bit year on year (£119,300 in 2024 and £96,000 in 2023), but the overall increase in restricted income from 2023 to 2024 is mainly due to an increase in project related grants. In particular, we have received grant funding for the Earth Funding Lab, the Inter-Narratives project, the Climate Activist Speaker Fund, the Environmental Impact Investing Group and the new website in 2024.

The total income for 2024 was £922,785 (2023: £714,393).

Expenditure

Direct expenditure on our charitable activities increased from £608,338 in 2023 to £797,520 in 2024 partly due to the extra expenditure associated with the new projects mentioned above. The proportion spent on our support costs has risen year on year from 14% in 2023 to 17% in 2024 - this is due to some 'one off' expenditure in 2024 - for our new website and rebrand and for the recruitment of the Executive Director. We also increased our staff team – our average FTE staff numbers rose from 6.2 in 2023 to 6.6 in 2024. EFN is fortunate to be a team working around the UK from home offices, and office costs are minimal.

Detail on our spending is given in note 4 to the accounts. Total expenditure was £810,801 (2023: £621,250).

Reserves

The net movement in funds for 2024 was £111,984, and the total reserves were £681,276 on 31 December 2024 (2023: £569,292).

£129,627 (2023: £176,325) of the reserves were designated for specific work, and a further £128,947 (2023: £57,203) were restricted funds, leaving a balance of £422,702 (2023: £335,764) in general funds.

Detail of the designated and restricted funds is shown in note 12 to the accounts which includes a description of each fund, and the purpose for which it is held. It is planned to use £56,627 of the total designated funds set aside on activity in 2025, and the balance of £73,000, will be spent mainly in 2026, but also partly in 2027 as EFN scales up its fundraising to invest in its programmes and to deliver its ambitious strategy.

Environmental Funders Network

Risk management and reserves policy

We maintain a risk register with risks, ratings, mitigations and monitoring listed. Key risks are monitored regularly by the Executive Director, and by the Finance & General Purposes (F&GP) subcommittee of the Board. The full risk register is reviewed at least annually by both the F&GP Committee and the full Board of trustees.

We see the most significant risks currently facing EFN as:

Risk	Mitigation and comments
Managing sustainable growth so that our team are not over stretched by the increasing demands of the programme and our growing membership	The trustees and management consider this on an ongoing basis in terms of planning the strategy for the future. Line managers are supportive, and aware of the potential effects of these demands on the wellbeing of the staff team. The annual strategy development process includes a priority-setting exercise which provides an opportunity for ensuring the staff are not overloaded.
Environmental issues heightening leads to more pressure on the sector	As demand for our services rises, hopefully so too does membership income, enabling us to meet them. Our strength as a network organisation may be for members to help each other manage the effects of environmental issues on their organisations.
The current uncertain geopolitical situation leads to more pressure on the sector	The recent speed and scale of change means it is hard to understand at this point what the impacts might be or actions we might take. The staff & trustees are prioritising this as an issue and looking to support the sector and our members on it - we will be running a session at our members' retreat around this ('The Shifting International Context for our Work - Responding vs Reacting').

A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

EFN holds reserves to enable it to:

- meet its contractual obligations (including the completion of projects and committed administrative costs).
- designate funds for future expenditure to strengthen the organisation and pursue its goals.
- retain sufficient free reserves to mitigate likely risks and meet the cost of unforeseen events.

Environmental Funders Network

To determine the desired level of free reserves, the trustees consider the specific current risks facing the charity and identify amounts they consider reasonable to hold in reserve to mitigate them. In doing so, the trustees look at the following reasons for which EFN might need to have free reserves:

- Income risk – in case EFN suffers a dip in key income such as grants or voluntary membership contributions
- Expenditure risk – to protect against unplanned events leading to increases in expenditure
- Cessation risk – to ensure liabilities can be discharged in the event of winding-up the charity
- Working capital/cashflow – to provide working capital if expenditure is needed before income is received

The trustees have identified the current key risks for EFN to be income and expenditure risk and consider that holding £225,000 as free reserves would allow for both a possible income dip and for the cost of unplanned events for the year ahead. At this time, the trustees do not feel it necessary to hold additional funds specifically for winding-up and are not forecasting the need for a cashflow reserve.

If any risks crystallise then mitigation measures will be put in place. The reserves target will be reviewed by the trustees by re-evaluating the above reasons when necessary and at least annually.

Fundraising

Our fundraising activity concentrates on developing our relationship with our members, and funding applications to trusts, foundations and other funders. We understand our duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. Our specific and targeted forms of fundraising mean that we avoid these approaches, and we do not use any third-party fundraisers to act on our behalf. We have received no complaints about fundraising activity in the years ended 31 December 2024 and 31 December 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO) and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SCO50579).

Recruitment and appointment of new trustees

The trustees elect new trustees, as vacancies arise, considering the skills, knowledge and experience needed for the effective administration of EFN, and clearly setting out the terms of engagement and the essential tasks of the Board. Our recruitment places an emphasis on the diversity of applicants (looking for diversity in terms of ethnic, racial, and socio-economic

Environmental Funders Network

backgrounds, sexual orientations and gender identities, disabilities, adults of all ages, and people with a broad variety of views and perspectives), recognising that EFN's work will be strengthened by a board of trustees who bring a variety of experiences, backgrounds, and perspectives to bear on our work.

EFN's trustees must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The charity trustees may from time to time co-opt people to serve as additional charity trustees, provided that a person who has been co-opted must retire after having served for a term of one year but shall then be eligible for reappointment for a further term of one year and then for a further term of three years.

Any person retiring as a charity trustee is eligible for reappointment, save that a charity trustee who has served for six consecutive years may only be reappointed for one year at a time.

Trustee induction and training

All potential new trustees are given the opportunity to meet the Chair of trustees, and the Director prior to their appointment. On formal appointment they receive a copy of the constitution, the latest annual report and accounts, the Board terms of reference, all relevant policies, and Charity Commission guidance.

All trustees are invited to attend an annual Away Day for staff and trustees, and an annual retreat for funders. They are also expected to attend some events each year to get a sense of the offerings of the network. Trustees are also offered training.

Sub Committees

There are two subcommittees, both of which consist of at least three members of the Board, and have terms of reference which have been approved by the Board:

- Finance & General Purpose (F&GP) committee which is responsible for overseeing our finances as well as our staffing and internal policies and procedures.
- Programme committee which considers the development, implementation, and evaluation of EFN's event programming for its members.

Key management personnel

The key management personnel of the charity comprise the trustees and the role of Executive Director (this role has also been covered by the job titles of Director and Interim Director in the past year). The Executive Director is appointed by the trustees and manages the charity. They act with delegated authority for all operational matters. All trustees give of their time freely,

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and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 6 and 14 to the accounts. As with other roles in the organisation, the Executive Director's salary range is benchmarked against other posts in comparable sector organisations by an external organisation and reviewed annually by the Finance & General Purposes subcommittee of the Board of Trustees as part of the organisational cost of living pay review, and the annual development review processes.

Related parties and cooperation with other organisations

Declaration of interests is a standing item on trustee meeting agendas and any contractual relationship and/or connection between a trustee with any related party is disclosed to the full board of trustees.

As a network organisation, cooperation with other organisations is a key part of our work at EFN, and we take that role extremely seriously, endeavouring to provide support to the full spectrum of organisations, from small to large and to network them with one another.

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity numbers	1181318 (England & Wales), SCO50579 (Scotland)	
Principal address	124 City Road, London, EC1V 2NX	
Trustees	Catherine Bryan (Chair)	
	Nicholas Addington	
	Richard Elliott	Appointed 2 July 2024
	Ashley Erdman	Appointed 2 July 2024
	Hugh Mehta	
	Fiona Napier	
	Eva Rehse	
	Elizabeth Gadd	Resigned 1 August 2024, reappointed 10 March 2025
	Sian Ferguson	Resigned 1 July 2024
	Champa Patel	Resigned 15 October 2024
Key management personnel	Florence Miller	Director to September 2024
	Elizabeth Gadd	Interim Director September 2024 to February 2025
	Nicholas Gardner	Executive Director from February 2025
Auditors	BSN Associates Limited	3B Swallowfield Courtyard, Wolverhampton Road, Oldbury, West Midlands, B69 2JG
Bankers	The Co-operative Bank	PO Box 101, 1 Balloon Street, Manchester, M6O 4EP

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TRUSTEES' RESPONSIBILITIES STATEMENT

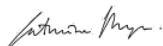
The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales and in Scotland, requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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, 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 Charities SORP (FRS 102);
- make judgments 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 19 June 2025 and signed on its behalf by:



Catherine Bryan

Trustee

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

Year ended 31 December 2024

Opinion

We have audited the financial statements of Environmental Funders Network (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 trustee with respect to going concern are described in the relevant sections of this report.

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network (continued)

Year ended 31 December 2024

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 trustee is responsible for the other information. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

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 trustee's report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

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Independent Auditor's Report to the Trustees of The Environmental Funders Network (continued)

Year ended 31 December 2024

Responsibilities of trustees

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities that result from fraud might be inherently more difficult than irregularities that result from error, which gives rise to a risk of material misstatement. We are of the opinion that the planned audit approach, the documentation and interrogation of the charity's controls means that the audit procedures carried out were capable of detecting irregularities, including fraud. We have also reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations and have reviewed correspondence with regulatory bodies as part of our audit procedures

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network (continued)

Year ended 31 December 2024

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BSN Associates Limited

BSN Associates Limited
Chartered accountants & statutory auditor
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

19 June 2025

Environmental Funders Network

Statement of Financial Activities for the year ended 31 December 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income					
Grants and donations	2	461,707	273,551	735,258	586,678
Income from charitable activities	3	187,527	-	187,527	127,715
Total income		649,234	273,551	922,785	714,393
Expenditure					
Expenditure on raising funds	4	13,281	-	13,281	12,912
Expenditure on charitable activities	4	595,713	201,807	797,520	608,338
Total expenditure		608,994	201,807	810,801	621,250
Net income/(expenditure)		40,240	71,744	111,984	93,143
Reconciliation of funds					
Fund balances brought forward		512,089	57,203	569,292	476,149
Fund balances carried forward		552,329	128,947	681,276	569,292

The statement of financial activities includes all gains and losses for the period from 1 January to 31 December 2024. All income and expenditure derive from continuing activities.

The notes on pages 27 to 35 form part of these financial statements.

Environmental Funders Network

Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	9	1,319	797
Current assets			
Debtors	10	25,770	25,202
Cash at bank		682,810	609,454
		708,580	634,656
Liabilities			
Creditors falling due within one year	11	(28,623)	(66,161)
Net current assets		679,957	568,495
Total assets less current liabilities		681,276	569,292
Net assets		681,276	569,292
Funds			
Unrestricted			
General	12	422,702	335,764
Designated		129,627	176,325
		552,329	512,089
Restricted	12	128,947	57,203
Total funds		681,276	569,292

The notes on pages 27 to 35 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 19 June 2025, and were signed on its behalf by:



Catherine Bryan, Trustee

Environmental Funders Network

Statement of Cash Flows for the year ended 31 December 2024

	2024	2023
	£	£
Cash flows from operating activities	<u>74,406</u>	<u>143,711</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>(1,050)</u>	<u>(1,063)</u>
Cash used in investing activities	<u>(1,050)</u>	<u>(1,063)</u>
Increase in cash and cash equivalents in the period	<u>73,356</u>	<u>142,648</u>
Cash and cash equivalents at the start of the period	<u>609,454</u>	<u>466,806</u>
Cash and cash equivalents at the end of the period	<u>682,810</u>	<u>609,454</u>

Reconciliation of net movement in funds to net cash flows from operating activities

	2024	2023
	£	£
Net movement in funds	111,984	93,143
Add back depreciation charge	528	623
Decrease/(increase) in debtors	(568)	12,011
Increase/(decrease) in creditors	(37,538)	37,934
Net cash flows from operating activities	<u>74,406</u>	<u>143,711</u>

Environmental Funders Network

Notes to the Financial Statements for the year ended 31 December 2024

1. Accounting policies

General information

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO) and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SCO50579).

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Individual fixed assets costing over £1,000 are capitalised at cost, and are depreciated over their useful economic lives as follows:

Computer equipment - 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a particular purpose.

Environmental Funders Network

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. They are split between projects in line with salaries.

Support costs allocation

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute directly to more than one activity are apportioned between those activities according to their use or time spent on each.

Judgements and key sources of estimation uncertainty

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

2. Grants and donations

	Unrestricted funds		Restricted funds		Total	Total
	2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£
Trust and foundation grants	125,500	61,500	255,251	187,570	380,751	249,070
Membership contributions	336,207	322,608	18,300	15,000	354,507	337,608
Total grants and donations	461,707	384,108	273,551	202,570	735,258	586,678

3. Income from charitable activities

	Total	Total
	2024	2023
	£	£
Retreat, event and workshop fees	104,890	104,406
Other	82,637	23,309
Total income from charitable activities	187,527	127,715

Environmental Funders Network

4. Expenditure

	Charitable activities 2024 £	Raising funds 2024 £	Support costs 2024 £	Total 2024 £	Total 2023 £
Research costs:					
Where the Green Grants Went	41,264			41,264	38,525
Other research	5,353			5,353	7,000
Growing environmental philanthropy	168,293			168,293	102,154
Improving effectiveness	237,100			237,100	213,927
Supporting environmental groups	168,540			168,540	125,033
EFN Scotland	38,279			38,279	34,277
Raising funds		9,360		9,360	10,589
New branding & new website			26,014	26,014	-
Staff travel & home office costs			13,178	13,178	12,438
Organisational development & admin costs			43,059	43,059	23,033
Staffing support costs			39,994	39,994	35,811
Governance & legal costs			20,367	20,367	18,463
	658,829	9,360	142,612	810,801	621,250
Allocation of support costs	138,691	3,921	(142,612)	-	-
Total	797,520	13,281	-	810,801	621,250

The charity identifies governance and other support costs, and apportions them to direct charitable activity, and raising funds on the basis of staff time.

<i>Prior period comparatives</i>	<i>Charitable activities 2023 £</i>	<i>Raising funds 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total 2023 £</i>
Research costs:				
Where the Green Grants Went	38,525			38,525
Other research	7,000			7,000
Growing environmental philanthropy	102,154			102,154
Improving effectiveness	213,927			213,927
Supporting environmental groups	125,033			125,033
EFN Scotland	34,277			34,277
Raising funds		10,589		10,589
Staff travel & subsistence			12,438	12,438
Organisational development & admin costs			23,033	23,033
Staffing support costs			35,811	35,811
Governance & legal costs			18,463	18,463
	520,916	10,589	89,745	621,250
Allocation of support costs	87,422	2,323	(89,745)	-
Total	608,338	12,912	-	621,250

Environmental Funders Network

5. Net income/(expenditure)

This is stated after charging:

	Total 2024 £	Total 2023 £
Depreciation of tangible fixed assets	528	623
Audit fees	6,720	6,120

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

	Total 2024 £	Total 2023 £
Salaries and wages	334,414	291,474
Social security costs	30,291	25,977
Pension costs	27,551	20,768
	392,256	338,219

No employees earned over £60,000 during the year (2023: one).

The average number of FTE staff per month was 6.6 (2023: 6.2), and the average headcount per month was 9.4 (2023: 8.2).

The key management personnel of the charity comprise the trustees, the Director and the Interim Director. The total employee benefits of the key management personnel were £76,342 (2023: £74,036). Elizabeth Gadd took over the role of Interim Director on a temporary basis – she stood down as a trustee of the charity during this time to avoid any conflict of interest. Any remuneration she received was for her position as Interim Director – her role as trustee was unremunerated.

The charity trustees received no remuneration during the year (2023: nil)

Two (2023: two) trustees were reimbursed travel expenses during the year totalling £255 (2023: £586). Trustees are encouraged to have their travel expenses reimbursed.

Environmental Funders Network

7. Pension costs

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £27,258 (2023: £20,674).

8. Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9. Tangible fixed assets

	Computer Equipment £
Cost:	
At 1 January 2024	2,577
Additions	1,050
Disposals	(865)
At 31 December 2024	<u>2,762</u>
Depreciation:	
At 1 January 2024	1,780
Disposals	(865)
Charge for the year	528
At 31 December 2024	<u>1,443</u>
Net book value:	
At 1 January 2024	<u>797</u>
At 31 December 2024	<u>1,319</u>

Environmental Funders Network

10. Debtors

	Total 2024 £	Total 2023 £
Trade debtors	21,487	17,845
Prepayments and accrued income	4,283	7,357
	25,770	25,202

11. Creditors

	Total 2024 £	Total 2023 £
Trade creditors	2,120	4,991
Accruals and deferred income	23,880	58,462
Other creditors	2,623	2,708
	28,623	66,161

12. Analysis of charitable funds

Analysis of unrestricted funds

	Funds 1 Jan 24 £	Income £	Expenditure £	Transfers £	Funds 31 Dec 24 £
General funds	335,764	649,234	(523,187)	(39,109)	422,702
Designated funds					
Growing environmental philanthropy	33,867	-	(33,867)	-	-
'Where the Green Grants Went' & 'What the Green Groups Said'	60,620	-	(30,749)	4,329	34,200
Supporting sector fundraising	9,664	-	(6,397)	-	3,267
Experimenting for impact	14,794	-	(14,794)	-	-
Earth Funding Lab	-	-	-	42,160	42,160
Opportunity fund	57,380	-	-	(7,380)	50,000
Total unrestricted funds	512,089	649,234	(608,994)	-	552,329

Environmental Funders Network

The **general fund** represents the unrestricted reserves after allowing for all designated funds.

The **growing environmental philanthropy** fund was designated for media and communications work raising the profile of environmental philanthropy, with the goal of inspiring and encouraging new donors to give to environmental causes. The remainder of the fund was applied during the year to the costs of the Communications Manager who oversaw the rebrand and renewal of our website in 2024.

'**Where the Green Grants Went**' & '**What the Green Groups Said**' is for updates to these two studies which take the pulse of the UK's environment sector and paint a picture of its resources. The findings produce new insights into the environment sector and its needs. A new edition of Where the Green Grants Went was published this year. A new edition of What the Green Groups Said (title tbc) is expected in 2026 by when the remainder of the fund will have been applied.

Supporting sector fundraising is set aside for work with fundraisers from across the environment sector, providing access to resources and peer-to-peer networking, and developing collaboration opportunities identified by the sector. This work has been absorbed into pillar III of our current strategy and the fund is expected to be spent down in 2025.

The **experimenting for impact fund** enabled us to explore new ideas to connect – it funded the development stage of the Earth Funding Lab which brought funders together to experiment and collaborate towards a big 'North Star' goal. It also helped subsidise an experiential retreat for our members and enabled us to establish our Environment Sector Programme Lead post to strengthen the NGO facing side of our work, fostering connections between NGOs and their funders. Having spent down this fund, we have created a new designated fund, the Opportunity Fund (see below), to continue to allow us to catalyse new innovation and respond to emerging needs or demands.

The **Earth Funding Lab** fund is designated for strategic planning and consolidating learning and feedback to date for the Lab (which fosters new ways of working that support more collaborative and systemic approaches to philanthropy).

The **opportunity fund** is designated for delivery of our programmatic strategy through to 2027 and particularly up to the end of 2026. Our ambitious strategy requires both a commitment to multi-year workstreams and an ability to be responsive and flexible and embrace emerging opportunities as they arise. This designated fund is intended to ensure we retain this agility across all three pillars of our work, although significant additional, planned fundraising will be required for full implementation of our strategy.

Environmental Funders Network

Analysis of restricted funds

	Funds 1 Jan 24	Income	Expenditure	Funds 31 Dec 24
	£	£	£	£
Restricted funds				
Core work	-	119,300	(49,750)	69,550
EFN Scotland	19,309	20,750	(20,194)	19,865
Inter-Narratives	12,356	39,125	(33,819)	17,662
Environmental Impact Investing Group (EIIG)	15,538	11,250	(26,788)	-
Climate Activist Speaker Fund	10,000	22,256	(32,256)	-
Earth Funding Lab	-	42,870	(27,000)	15,870
Website redesign	-	12,000	(12,000)	-
Staff & trustee training	-	6,000	-	6,000
Total restricted funds	57,203	273,551	(201,807)	128,947

Core work is restricted funding received for the core costs of the organisation.

EFN Scotland is funding specifically to support the work of our Scotland Coordinator to grow and develop environmental philanthropy, fundraising and funding in Scotland.

Inter-Narratives is project funding which has established a community (of 120+ organisations) - people working on narrative change and the role it plays in systems change. We convene the community, curate sessions, and share and amplify narrative insights and work in our newsletter and publications.

Environmental Impact Investing Group (EIIG) is a 12-month pilot to support trusts, foundations and individuals who wish to learn more about environmental impact investing and develop their work in this area. It offers an online learning programme, in-person Market Information Days (MIDs) and a network to exchange ideas and learning.

The **Climate Activist Speaker Fund** is a pilot programme that is testing a new mechanism to support young climate activists to deliver their messages far and wide, funded by the philanthropic community, including those who may not otherwise be able to fund individuals. Ultimately it aims to magnify the impact activists and funders can have.

Earth Funding Lab is restricted grants and donations towards this platform for learning, strategy and collaborative action, designed to help philanthropic funders work together to support greater impact. It facilitates processes to help learn about new models, transform structures, and support new forms of collective action. The guiding star is to support economies in service to life, with three active workstreams underway in areas of investment, tax and the legal rights of nature.

Website redesign is a grant towards the redesign of our website.

Environmental Funders Network

Staff & trustee training is a grant for a training course on colonisation and climate change, making clear the connections between environmental, social, racial and economic challenges.

13. Analysis of net assets between funds

	General fund	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,319	-	-	1,319
Cash at bank	421,770	129,627	131,413	682,810
Other current assets/(liabilities)	(387)	-	(2,466)	(2,853)
Total net assets	422,702	129,627	128,947	681,276

14. Related party transactions

During the year, Catherine Bryan, who is a trustee, donated £1,500 to the charity. There were no related party transactions in the preceding year.

ENVIRONMENTAL FUNDERS NETWORK

England & Wales - Charity number 1181318

Accounts



Environmental Funders Network

Annual Report and Accounts

Year Ended 31 December 2023

Registered Charity Numbers: 1181318 and SC050579

Environmental Funders Network

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Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Our mission and vision

Environmental Funders Network ('EFN') aims to increase the levels of philanthropic support for environmental causes and to improve its overall effectiveness.

Our vision is of a world where people and planet thrive.

Our activities and goals

- We are a network of, and for, funders and advisors with an interest in the environment, supporting the whole philanthropic ecosystem, from individual donors and private foundations to intermediaries, pooled funds, and philanthropy and wealth advisors.
- We also support those working on and fundraising for environmental issues.
- We create connections between people funding or working on environmental issues, and bolster their agency, ambition, and effectiveness.
- We are UK-based, with a UK and international outlook.

We have three goals, or workstreams, aligned with our mission:

1. **Expanding environmental philanthropy** (encouraging new donors to support environmental causes, and established donors to increase their giving)
2. **Improving the effectiveness of environmental philanthropy**
3. **Supporting those that do environmental work to be more effective**

Our work

We use several approaches within each pillar of our work:

- Research to understand patterns of grant making, gaps, and the priorities and needs of the sector

Environmental Funders Network

- Convening to create, build and strengthen relationships between funders, between environmental groups, and between funders and environmental groups
- Publications and other products to inform, inspire and motivate funders and the wider sector
- Informational talks, workshops, field trips and retreats to input from a range of experts and practitioners

We aim to provide leadership in our programming and push boundaries, where we feel necessary.

The objects of the charity

The object of the Environmental Funders Network is the promotion of the effective use of resources for charitable purposes by charitable and non-charitable bodies in the Environmental Sector, being the part of the voluntary sector concerned with the conservation, protection and improvement of the physical and natural environment, for the benefit of the public by:

- a. liaising with, researching and acting as a forum for the exchange of information between organisations working in the Environmental Sector, in order to identify how the sector might better achieve charitable purposes in conservation, protection and improvement of the physical and natural environment, including but not limited to identifying funding gaps and gaps in service provision in the sector;
- b. providing advice and information to existing and potential funders of charities and non-charitable bodies working in the Environmental Sector to encourage them to increase their funding and to provide funding in a way which increases the effective application of funding for charitable purposes by the Environmental Sector;
- c. providing charities working in the Environmental Sector with strategic and fundraising advice; and
- d. such other means as the charity trustees shall from time to time think fit.

Public benefit

EFN's trustees have given due regard to the guidance issued by the Charity Commission on public benefit. They consider that EFN's activities and achievements, outlined in this report, demonstrate considerable benefit to the environmental philanthropic sector, both in making it more effective and expanding it (encouraging new donors to support environmental causes, and established donors to increase their giving). In addition, EFN's work has supported those working on and fundraising for environmental issues to be more effective. By helping to ensure that environmental work is better resourced and supported, EFN provides clear public benefit to all.

Environmental Funders Network

ACHIEVEMENT AND PERFORMANCE

Main achievements of the charity during the year

EFN's work is divided into three strands. We have outlined our work in each one below:

Workstream One: Expanding environmental philanthropy

We focus on two areas of work to bring about the changes we want to create among funders not yet supporting the environment or doing so at a very low level – inspiring them to act and helping them develop the sense of agency to do so.

We raise awareness of the need for environmental philanthropy and its catalytic power and help funders who are not yet supporting the environment to see how environmental issues connect to the issues they already focus on. We also advise and support new donors, often in partnership with other networks, and particularly focusing on intersections between the environment and other social issues.

'If all thematic areas had network organisations like EFN, philanthropy would be transformed.' - EFN supporter

In 2023, this strand of work involved the following activities:

Big Give Green Match Fund: In 2021, EFN and the Big Give launched the annual **Green Match Fund**, a campaign to raise donations for environmental causes from members of the public and raise awareness of the need for more funding to support environmental charities. Many of our members, as well as other individuals, foundations and companies, provide the match funding that makes the campaign possible. The campaign is building in momentum, raising £1.8 million for 112 charities in 2021, £2.3 million for 146 charities in 2022, £4.3 million for 178 charities in 2023 and over £6m in 2024 – a total of nearly £15m in four years.

Arts for Life is our series run in collaboration with the Arts Funders Group to explore how funders can support the arts, culture and entertainment sectors to inspire action on the climate and nature crisis and to reimagine the world we live in. Activities to date have included online briefings and in-person events incorporating design, music, photography and poetry. We have created a list of organisations working at the arts and environment intersection and are exploring the possibility of setting up a pooled fund.

Our **field visits** aim to bring together EFN members and new funders to learn about a particular issue in nature, with a view to directing more funding towards it, or through stewarding their own land. In 2023, there were three field visits – to Pentwyn in Wales, on rewilding and philanthropic loans; to Hoyle and Lavington farm in Sussex, on nature friendly farming and wildflower restoration; and to Sarratt in Hertfordshire, on chalk streams and freshwater conservation.

Environmental Funders Network

Place-based work: In November, we hosted an event in Manchester to support and inspire funders in that part of the country. Held at the Manchester Art Gallery alongside their exhibition on climate justice, the event was about the links between a thriving environment, healthy people and resilient communities.

Partnerships: We work in partnership with a wide range of philanthropy organisations, networks and advisors to support them and the people they work with to start giving to environmental causes, or to give more. This includes providing bespoke advice, co-organising meetings and events, providing training, and contributing to resources to inform and inspire donors about how they can give impactfully to environmental causes.

Environmental Finance & Learning Fund (EFLF): We were pleased to continue our partnership with the Esmée Fairbairn Foundation (EFF) to deliver the learning programme of the EFLF. 15 funders participate and have contributed £679,000 towards the fund. The fund was then matched three times over by EFF to create a pot of £2.7m to deploy in environmental investments over three years. In 2023, EFLF moved into its second year, continuing to help participants learn about and gain confidence in making environmental investments.

In our mid-term survey of participants, we found:

- 58% of respondents reported that their environmental investing has already increased because of the programme
- 50% said they plan to increase the funds they commit to environmental investments in the future
- A third of respondents reported that their environmental giving has increased because of the programme
- 75% reported increased confidence and skills for environmental investing

Environmental Impact Investing Group (EIIG): Trusts and foundations are increasingly conscious about the need to align their investments to support – rather than undercut – their missions. Many are doing this through screening out harmful industries by investing in funds that promise less harm, but fewer have adopted an approach to investing for impact. The EIIG is a pilot initiative to help philanthropic investors learn about how to invest for positive environmental impact while building a network of investors who know and trust one another. In 2023 we pre-launched the pilot with an introductory webinar and the EIIG now has 115 participants signed up.

Scotland Programme: Our work in Scotland has grown substantially since March 2020 when we first hired our Scotland Coordinator (Julie Christie) to network and inspire funders to support Scottish environmental work. In 2023, implementing our strategic plan, with support from our Scotland Advisory Group, it included delivering our first ever funder field trip to Southwest Scotland to showcase some of the region's world-class natural heritage and 'best-in-class' environmental projects, and our inaugural Celebration of Environmental Philanthropy networking event in Edinburgh, kindly hosted by the Edinburgh Earth Initiative. Other Scotland-focused activities during the year included:

- Organising five in-person gatherings and one online event, attended by 130 people, of whom just under 75% were funders.
- Producing and distributing a new publication, 'Supporting effective environmental action in Scotland'.

Environmental Funders Network

- Helping to secure £150,000 of match funding from Scotland-based funders for this year's Big Give Green Match Fund campaign - as a result, 15 eNGOs secured nearly £250,000 for work in, or delivered from, Scotland.
- Connecting with, and supporting, innumerable individual funders and eNGOs, and their networks.

As illustrated above, the expanding environmental philanthropy strand of our work is very varied, connecting with a wide range of funders to inspire, motivate and support them to give to environmental causes. Our data – to be published in 2024 as 'Where the Green Grants Went' shows this is paying off: environmental giving from UK trusts and foundations has risen very significantly in recent years, from a base of £110m per year in 2016 to just over £600m in 2021 (the latest year for which we have a full dataset). We are very proud of the role we have played in fostering this growth and look forward to seeing it continue.

Workstream Two: Improving the effectiveness of environmental philanthropy

This pillar of our work focuses on supporting funders to be more effective in their giving. We are approaching key tipping points in terms of global climate and biological systems: action taken today has a much greater chance of success than 10 or 20 years down the road. In this window of opportunity, it is vital that funders act on a keen understanding of how to give the funds away most effectively. Our events and research in this strand of our work support funders to strengthen their impact while connecting them to others with whom they can partner to accomplish more than they could alone.

'EFN is a community of allies, with resources. Our participation in various aspects has deepened our knowledge, which in turn has informed our grant making choices. The community has also enabled new collaborative work, which in turn is creating new possibilities for impact.' - EFN member

In 2023, this strand of work involved the following activities:

Events for funders: 40 online sessions plus several in-person meetings, visits and field trips. Top-attended events included:

- Two-day annual retreat at Hinxtton Hall in Cambridgeshire
- In-person networking lunches focused on political advocacy, toxic chemicals and marine conservation
- Edinburgh networking event celebrating and cultivating environmental philanthropy in Scotland
- Quarterly Climate Funders Group meetings (online and in-person)
- Meetings to update funders on UK policy developments, COP15 biodiversity and COP28 climate summits
- Forests webinar series organised in partnership with several EFN members who support forests-related work

Environmental Funders Network

Annual two-day retreat for funders: this provides funders of all kinds – trustees, individual donors, staff – with a chance to get outside of their daily lives and develop new perspectives on their funding. We organise a mix of sessions to provide a stronger intellectual understanding of what environmental philanthropy could accomplish while also giving attendees a chance to get outside and take part in activities that lift them out of the day-to-day. By connecting with nature – which humans are and have always been a part of – we hope to open up a different way of approaching the challenge of addressing environmental issues.

Philanthropy Lab: In partnership with the Bio-Leadership Project, we set up the [Philanthropy Lab](#) to foster new ways of working that support more collaborative and systemic approaches to philanthropy, with the goal of creating ‘economies in service to life’. Six trusts and three individual donors participated in the first two phases of the Lab. Together, they developed three work streams on rights of nature, tax justice and nature, and regenerative investment. The Lab continues to welcome new funders to join existing work streams or start new ones.

‘The Lab has given me the bandwidth to think very differently about our work. How can we work more ‘upstream’? It’s definitely informing the implementation of our organisation’s strategy.’ - EFN member

Climate Funders Group: Co-coordinated with EFN members Tessa Durham of Gower Street and Greg Hilditch of Global Greengrants Fund UK, this group meets quarterly to help funders embrace more effective climate philanthropy in the UK and to learn about what others are doing globally to support action on the climate crisis. In 2023, we heard from a range of insightful speakers about different topics, such as strategic communications, public mobilisation, and phasing out oil and gas.

*‘I attend the Climate Funders Group meetings because I value being in a ‘room’ with a group of like-minded individuals hearing from a thoughtful line-up of climate focussed organisations. It helps me understand the space better: what’s going on, who’s doing what. Crucially, I get a great deal from the chat and the questions that are asked. We could meet these organisations individually but it would be nowhere near as useful because hearing the perspectives and questions of the other funders on the call is so valuable. Grant-giving can be lonely – the CFG makes me feel part of a community.’
- EFN member*

Research: In 2023, we started gathering data for *Where the Green Grants Went 9*, which will be the latest in our series of research analysing the distribution of environmental grants and funding from UK trusts and foundations. It will be published in early summer 2024 and will reflect on ways that environmental philanthropy could be deployed more effectively.

We also started gathering funders’ data through our *Members Directory*, which has around 70 entries in the funders-only directory (40 entries for the public version). We encourage funders as far as possible to submit their information and be part of improving the efficacy of fundraising. Going forward, we are exploring options for developing a dedicated online platform for the Members Directory to make it much easier to share, manage and access information.

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'Joining EFN led us to a ready-made network of experts in the sector. This accelerated our learning. Without this our progress would have been much slower.' – EFN member

'EFN is uniquely placed to help funders and grantees navigate environmental philanthropy and is playing a pivotal role in improving, increasing and expanding funds that are spent. This is a key reason for why we contribute to the network – we want to grow the (underfunded) pie for climate and environment giving, whilst supporting the ecosystem to thrive. And, of course, we also benefit hugely from the learning and networking opportunities that EFN provides.' – EFN member

Workstream Three: Supporting those that do environmental work to be more effective

This strand of our work focuses on supporting the environment sector to become more effective. We have three main objectives, focused on funding, communication and connectivity. Our ambition is to support an interconnected, resilient and impactful sector with a broad reach and sufficient funding.

Towards this aim, we host a popular 'Green Fundraisers Forum', provide a mechanism for environmental organisations to access urgent funding (our Rapid Response Fund), and are developing ideas to run a large-scale media appeal and map who is doing what in the UK environment sector.

In 2023, this strand of work involved the following activities:

Wealth Advisor Research: In our sector collaboration workshop in 2022, fundraisers from across the sector expressed a desire to explore the potential of wealth advisors to catalyse the philanthropic fundraising efforts of environmental groups. We have since interviewed 60 advisors and high-net-worth-individuals, the findings from which will be published in 2024. We are planning a series of events with wealth advisors in London and Edinburgh to disseminate the findings.

Spotlighting Underfunded Issues: EFN's research has shown that several vital issues are chronically under-funded in the sector, which we refer to as 'Cinderella' issues. We have begun spotlighting projects focusing on these topics to our network of donors, to raise awareness and encourage more funding toward these areas.

'Thanks for the work you're doing to direct funding to high-impact and often neglected environmental work, and to support us fundraisers in the sector – it's so appreciated.'

Climate Activist Speaker Fund (CASF): The pilot phase of this programme continued to facilitate the support of individual climate activists by philanthropic funders in 2023, drawing to a close in December, with a second phase planned for 2024-2025. With support from six funders, the CASF provided 10 young climate activists with:

- £4,000 each to provide compensation for their speaking and messaging work as well as access to desired platforms.

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- 12 hours of formal training and support, including climate communications, overcoming imposter syndrome, and individual coaching sessions.
- A community to network, exchange, and learn from peer activists.

Rapid Response Fund (RRF): We continued to facilitate this initiative, which provides a mechanism for funders to provide funds to groups trying to seize unexpected opportunities or respond to unanticipated crises. Participating funders provided £264,635 in funding to 22 proposals in 2023, a 16% increase compared to 2022. Amongst other initiatives, the funders were able to support:

- Power for People to amend the Government’s Energy Bill to include the Local Electricity Bill, which will enable community groups to set up local renewable energy schemes to sell clean power locally
- Fern to protect forests through mandatory paper reductions in the EU Packaging Directive
- Greenpeace to commission a report from independent economists Cambridge Econometrics to provide an analysis on upgrading the energy grid for net zero

‘I find the RRF a good way to mobilise my own personal money quickly and effectively.’

‘Your RRF allows us to be introduced to policy-related work that can strengthen our likely impact, and promote that strand within our grant-making.’

Strengthening digital skills: We worked with Lightful to deliver their digital skills training programme for charities and non-profits to 30 environmental organisations. In the coming year we will be organising training on this topic for our Green Fundraiser Forum members.

Inter-Narratives: we (re)launched this initiative, a community for people who work on, or are curious about, narrative change and the role it plays in system change. Building on the work of its predecessor, Reset Narratives, Inter-Narratives was launched in May 2023 by Ella Saltmarshe and Paddy Loughman. Every month Inter-Narratives runs either a public or community event. The public events are led by an expert curator and speakers, covering different issues areas, such as fighting disinformation and fake news and narrative strategies. Community sessions give our community of practitioners a space to share and discuss work. The Inter-Narratives newsletter shares narrative insights and examples of effective narrative-change work with nearly 800 subscribers from a range of sectors.

‘About Inter-Narratives: “[a] space where the breaking edge of interdisciplinary storytelling can meet in order to make meaning of these times of great change.’ - Inter-Narratives community member

Green Fundraisers Forum (GFF): This forum now includes over 800 subscribers to its mailing list, over 400 of whom are also part of our active GFF Slack workspace. The GFF enables people working within a wide range of environmental groups to connect and share, fostering a culture of collaboration and providing opportunities – often facilitated by us – for learning, discussion, and relationship building.

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'As someone recently joining the environmental funding sector, I've found the knowledge, networks, and experience of the GFF invaluable. The Slack channel is a 'go to' place for me when I want to connect, ask questions, and find answers. The newsletter is always informative, ensuring we're up to date with opportunities, and the bimonthly meetings are a great place to network and share experiences. Thank you!' - GFF member

Sustainable Wellbeing Environment Network: We embarked on new research into challenges faced by environmental fundraisers and through our participation in this network, and worked to increase awareness of burnout in the sector and what can be done about it. This topic was one of the focal points of this year's GFF Away Day.

Mapping the Sector: Funders and fundraisers alike often comment on how difficult it is to understand the UK environment sector as a whole — who is doing what and where. This lack of clarity can give rise to a great deal of wheel reinvention and duplication which arguably we have neither the time nor the resources for. We have begun exploring methods of mapping the sector, with the ambition of creating an online tool to visualise the different organisations and the links between them. As a first step, we have started mapping those working on sustainable transport.

Monitoring our impact

As the above text indicates, we track our impact with a mixture of quantitative and qualitative data. Quantitative data (tracked through our *Where the Green Grants Went* series, as well as our monitoring of our activities) helps us see how much grant funding to environmental issues is increasing, how many funders we are supporting to give more effectively, and how many people and organisations working on environmental issues we are supporting with convening and resources. Alongside those numbers, we get clear insights into the difference we are making through written and oral feedback from our members about the value we add to the ecosystem of environmental actors in the UK.

We know from the latest *Where the Green Grants Went* data (to be published in 2024) that grant giving has risen significantly in recent years, and we are proud to have played a part in that. In addition, our feedback from members suggests we are highly valued in terms of the support we provide funders to improve the effectiveness of their giving, though we can see that there are plenty of ways in which funder effectiveness might continue to improve – and likewise that there is considerable room in the system for more funding for environmental causes.

Organisational development

We welcomed two new staff members in 2023. Tara Cooper joined us as Communications Manager in November and Sophia Cooke as Sector Programme Lead (maternity cover) in October. As an office-less team we continue to invest in time spent together, including two days spent in Norfolk concentrating on developing our work plans for the year ahead and looking at visioning the future for EFN.

Environmental Funders Network

Nick Addington joined us as a trustee in June 2024. As Chief Executive of the William Grant Foundation he brings valuable experience to the Board including knowledge of the funding landscape in Scotland. The trustee and staff team worked together at an Away Day in London in November to reflect on our work (in our three work pillars) in 2023 and looking ahead to 2024. This work helped inform the annual update to the EFN Strategy.

We developed an Environmental Policy during 2023 which sets out our commitment to minimising the negative environmental impacts of our operations and supporting staff to adopt sustainable practices at work. It recognises that the biggest impact EFN can make is through its work – working with our members to engage people to understand why we need to act and supporting them to take action to bring about the changes we need. The policy includes using a banking provider which has strong ethical standards including around fossil fuel investment. Our main provider is now Cooperative Bank, and we closed our previous account with HSBC during 2023, sharing our reasons with our membership and creating a campaign which also highlighted the work others are doing in this area.

EFN is committed to the principles of **justice, equity, diversity and inclusion (JEDI)**, recognising their inherent value and necessity, including for effective environmental work. We reflect on and revise how we operate and design our programmes in this context as a matter of ongoing work.

What we did in 2023:

- Provided a platform (blog and events) to those most affected by the environmental crisis to share their experiences
- Highlighted organisations doing important JEDI work in our monthly newsletters
- Changed processes for our Rapid Response Fund to better serve most-affected groups
- Developed the Climate Activist Speaker Fund based on JEDI principles
- Contributed to, and promoted, the RACE Report, a project driving progress on diversity and inclusion in the environment sector
- Worked to foster an inclusive staff culture, where everyone feels they can be themselves at work – including creating relevant policies (for example on microaggressions) and initiating a staff wellbeing survey
- Employed recruitment processes that reduce bias

FUTURE PLANS

Our strategy for 2023-2026, including our work plan for 2024, is published on our website [here](#).

With a Communications Manager now in place for the first time, we have ambitious plans to improve and enhance all of EFN's external and digital communications. We will:

- Develop a new, creative, and engaging visual identity that better tells the story of EFN and our work.

Environmental Funders Network

- Redesign and build a new website with a focus on creating an outstanding user experience and showing the wide range of work and activities EFN does.
- Create and share regular digital content that better serves the needs of EFN and our audiences.

This investment in communications will underpin many of the activities detailed below and enable staff members to better engage with audiences and fulfil our mission.

We will do the following under each workstream:

Expanding Environmental Philanthropy

- Organise events to engage with specific new audiences (for example those working in finance) and support them to start to give (or give more) to environmental causes. We will improve our follow up after events, offering 1:1 meetings with EFN staff, Advisory Group members and partner organisations.
- In 2024, we aim to double the £4.3m raised in 2023 by the Big Give Green Match Fund, and start working towards scaling the campaign drastically in future years, culminating with a ‘Children in Need’-style live annual event. Big Give are working with Shape History, a digital agency, to do a feasibility and scoping study on this level of campaign.
- Publish our research report into the provision of environmental philanthropy advice in the UK and use it to engage with philanthropy and wealth advisors. We will host at least one multilateral meeting to share the findings of our research with them and discuss how EFN can help them to meet the needs of their clients (including Next Gens) better.
- Pilot our [Environmental Impact Investing Group \(EIIG\)](#), using it to engage with and support individuals and foundations who are interested in impact investing, even if they have not yet considered environmental philanthropy.
- Secure targeted articles in the media to highlight the value of environmental philanthropy and the need for much more of it.

Improving the Effectiveness of Environmental Philanthropy

- Publish and disseminate the findings of our *Where the Green Grants Went 9* report to help funders understand the funding landscape and engage funders in discussion of what effective environmental philanthropy entails.
- Provide opportunities for funders to hear from the sector on positive/negative funding experiences and highlight elements of good practice grantmaking, as described in our [Theory of Change](#).
- Work with funders and others to create new opportunities for environmental giving in Scotland, such as a nascent fund for grassroots ecological restoration initiated by an EFN member.
- Develop the next *What the Green Groups Said* survey for dissemination in 2025.
- Support up to five champions from within the network, each interested in working to ensure more ambitious, collective impact among funders on a particular issue or geography in the UK and abroad.

Environmental Funders Network

Supporting those that do environmental work to be more effective

- Wrap up our research into opportunities and barriers for wealth advisors to work with the sector and increase philanthropic environmental giving. We will continue hosting networking events for advisors in England and Scotland.
- Organise and form an environmental fundraisers' working group on Fundraising Challenges that aims to identify the most pressing funding challenges within the sector and their causes, possible solutions and their implementation with emphasis on efficiency in grant application processes for both funders and grantees. Publicly share findings to enhance understanding of these issues, encourage best practice among funders and foster constructive dialogue between fundraisers and funders.
- Explore potential methods to create a living, interactive map of the UK environment sector (making it easier to understand who is doing what, where and how), beginning with a subset e.g. GFF members working on particular topics.

Governance and Organisational Development

We plan to recruit up to two new trustees in 2024 as long-standing member of the board, Sian Ferguson, steps down. We have looked at what skills and experience will best complement the existing trustees, and have advertised the opportunity to our members.

As the organisation has grown, we are continually monitoring the effectiveness of the current organisational structure, balancing the needs of efficient line-management structures with a staff team that is largely working part-time, with limited capacity for line-management responsibilities. EFN has grown gracefully to date, and a focus on a healthy organisational culture has allowed for highly productive working relationships to emerge.

FINANCIAL REVIEW

Income

EFN's income is mainly a mixture of grants, and voluntary membership contributions (following a sliding scale based on how much each member gives out in environmental grants themselves over an annual period). We also receive income for fees towards the cost of our annual members' retreat/conference, for some of our workshops and for coordinating the Environmental Finance & Learning Fund.

The income received from membership contributions in 2023 rose by 20% to £337,608 (2022: £280,462). The number of contributing members rose from 99 to 110 year on year, and the increase in income is due to both this increase in number of members and the welcome increase in amounts contributed especially by some larger

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members of the network. Together with grants, donations and fee income, the total unrestricted fund income in 2023 rose to £511,823 (2022: £417,639), a 23% increase.

Restricted fund income also rose in 2023 to £202,570 (from £124,000 in 2022). This income includes grants and membership donations which are restricted to be spent on our core work. This restricted core funding was similar year on year (£96,000 in 2023 and £101,000 in 2022), and the overall increase in restricted income from 2022 to 2023 is due to an increase in project related grants. In particular, we have received grant funding for the Inter-Narratives project, the Climate Activist Speaker Fund and the Environmental Impact Investing Group work in 2023.

The total income for 2023 was £714,393 (2022: £541,639).

Expenditure

Direct expenditure on our charitable activities increased from £462,503 in 2022 to £608,338 in 2023 partly due to the extra expenditure associated with the new projects mentioned above. The proportion spent on our support costs has fallen year on year from 17% in 2022 to 14% in 2023. We also increased our staff team in late 2023 - Tara joined EFN as Communications Manager in November. EFN is fortunate to be a team working around the UK from home offices, and office costs are minimal.

Detail on our spending is given in note 4 to the accounts. Total expenditure was £621,250 (2022: £473,596).

Reserves

The net movement in funds for 2023 was £93,143, and the total reserves were £569,292 on 31 December 2023 (2022: £476,149).

£176,325 (2022: £248,770) of the reserves were designated for specific work, and a further £57,203 (2022: £9,874) were restricted funds, leaving a balance of £335,764 (2022: £217,505) in general funds.

Detail of the designated and restricted funds is shown in note 12 to the accounts which includes a description of each fund, and the purpose for which it is held. It is planned to use £71,628 of the total designated funds set aside on activity in 2024, and the balance of £104,697, will be spent mainly in 2025, but also partly in 2026 as EFN scales up its fundraising to invest in its programmes and to deliver its ambitious strategy.

Risk management and reserves policy

We maintain a risk register with risks, ratings, mitigations and monitoring listed. Key risks are monitored regularly by the Director, and by the Finance & General Purposes (F&GP) subcommittee of the Board. The full risk register is reviewed at least annually by both the F&GP Committee and the full Board of trustees.

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We see the most significant risks currently facing EFN as:

Risk	Mitigation
<p>Loss of a key member of staff – the potential loss of expertise and networks to EFN would be hard to replace</p>	<p>EFN has a small and very welcoming team. Staff have a good level of support from trustees. There is a Pay Review Policy which sets out how pay rises are calculated and ensures EFN continues to offer market rates of pay. Systems for tracking contacts are improving (Salesforce) and there are plans for further improvements (for example a database of member organisations/individuals on our website, which will help capture information that is known by key staff but not currently recorded anywhere). We have developed an effective recruitment process for replacing staff who leave (/go on maternity leave) with excellent replacements.</p>
<p>Managing sustainable growth so that our team are not over stretched by the increasing demands of the programme and our growing membership</p>	<p>The trustees and management consider this on an ongoing basis in terms of planning the strategy for the future. Line managers are supportive, and aware of the potential effects of these demands on the wellbeing of the staff team. The annual strategy development process includes a priority-setting exercise which provides an opportunity for ensuring the staff are not overloaded.</p>
<p>The current economic volatility (especially inflationary pressure) impacts the staff team and increases the EFN organisational costs</p>	<p>The Pay Review policy takes account of inflation indices (CPIH and AWE) in the annual cost of living review. Working from home (WFH) payments are reviewed annually (and take account of rises in home energy costs). Organisational budgets take account of likely inflation rates, and the 4-year budget is updated annually, and is used to plan out funding needed to cover costs well in advance.</p>

A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

EFN holds reserves to enable it to:

- meet its contractual obligations (including the completion of projects and committed administrative costs).

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- designate funds for future expenditure on work to achieve its goals.
- retain a sufficient margin of funds to meet the cost of unforeseen events.

The general fund balance on 31 December 2023 was £335,764, and the free reserves (those unrestricted reserves not designated for specific purpose or invested in fixed assets) stood at £334,967.

The target free reserves for the year ahead are £280,953 and represent the equivalent of six months of core operational expenditure (staff costs, staff expenses and overheads) plus redundancy liabilities, and the costs of winding up the organisation. We plan to use £36,000 of our general fund reserves on our work in 2024 so our reserves going into 2025 will be around £300,000 at which point our target free reserves will have risen to £298,601 meaning at the end of 2024 our reserves will be at the target level.

Free reserves are reviewed by the trustees at all Board meetings, and the trustees are happy that the current levels are in line with the targets. The reserves policy is reviewed annually as part of the organisational strategic planning and budgeting process for the years ahead.

Fundraising

Our fundraising activity concentrates on developing our relationship with our members, and funding applications to trusts, foundations and other funders. We understand our duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. Our specific and targeted forms of fundraising mean that we avoid these approaches, and we do not use any third-party fundraisers to act on our behalf. We have received no complaints about fundraising activity in the years ended 31 December 2023 and 31 December 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO) and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SC050579).

Recruitment and appointment of new trustees

The trustees elect new trustees, as vacancies arise, considering the skills, knowledge and experience needed for the effective administration of EFN, and clearly setting out the terms of engagement and the essential tasks of the Board. Our recruitment places an emphasis on the diversity of applicants (looking for diversity in terms of ethnic, racial, and socio-economic backgrounds, sexual orientations and gender identities, disabilities, adults of all ages, and people

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with a broad variety of views and perspectives), recognising that EFN's work will be strengthened by a board of trustees who bring a variety of experiences, backgrounds, and perspectives to bear on our work.

EFN's trustees must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The charity trustees may from time to time co-opt people to serve as additional charity trustees, provided that a person who has been co-opted must retire after having served for a term of one year but shall then be eligible for reappointment for a further term of one year and then for a further term of three years.

Any person retiring as a charity trustee is eligible for reappointment, save that a charity trustee who has served for six consecutive years may only be reappointed for one year at a time.

Trustee induction and training

All potential new trustees are given the opportunity to meet the Chair of trustees, and the Director prior to their appointment. On formal appointment they receive a copy of the constitution, the latest annual report and accounts, the Board terms of reference, all relevant policies, and Charity Commission guidance.

All trustees are invited to attend an annual Away Day for staff and trustees, and an annual retreat for funders. They are also expected to attend some events each year to get a sense of the offerings of the network. Trustees are also offered training.

Sub Committees

There are two subcommittees, both of which consist of at least three members of the Board, and have terms of reference which have been approved by the Board:

- Finance & General Purpose (F&GP) committee which is responsible for overseeing our finances as well as our staffing and internal policies and procedures.
- Programme committee which considers the development, implementation, and evaluation of EFN's event programming for its members.

Key management personnel

The key management personnel of the charity comprise the trustees and the Director. The Director is appointed by the trustees and manages the charity. They act with delegated authority for all operational matters. All trustees give of their time freely, and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 6 and 14 to the accounts. As with other roles in the organisation, the Director's salary range is benchmarked against other posts in comparable sector organisations by an external

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organisation and reviewed annually by the Finance & General Purposes subcommittee of the Board of Trustees as part of the organisational cost of living pay review, and the annual development review processes.

Related parties and cooperation with other organisations

Declaration of interests is a standing item on trustee meeting agendas and any contractual relationship and/or connection between a trustee with any related party is disclosed to the full board of trustees.

As a network organisation, cooperation with other organisations is a key part of our work at EFN, and we take that role extremely seriously, endeavouring to provide support to the full spectrum of organisations, from small to large and to network them with one another.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity numbers	1181318 (England & Wales), SC050579 (Scotland)	
Principal address	48 High Street, Aylesbury, Buckinghamshire, HP18 9AF	
Trustees	Catherine Bryan (Chair) Nicholas Addington Sian Ferguson Hugh Mehta Champa Patel Elizabeth Gadd Fiona Napier Eva Rehse	Appointed 20 June 2023 Resigned 1 July 2024
Key management personnel	Florence Miller	Director
Auditors	BSN Associates Limited	3B Swallowfield Courtyard, Wolverhampton Road, Oldbury, West Midlands, B69 2JG
Bankers	The Co-operative Bank	PO Box 101, 1 Balloon Street, Manchester, M60 4EP

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TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England and Wales and in Scotland, requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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, 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 Charities SORP (FRS 102);
- make judgments 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 1 July 2024 and signed on its behalf by:



Catherine Bryan
Trustee

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

Year ended 31 December 2023

Opinion

We have audited the financial statements of The Environmental Funders Network (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, statement of financial position, statement of cashflows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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. In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

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 Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- certain disclosures of Trustee remuneration specified by law are not made; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2023

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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.

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:

Irregularities that result from fraud might be inherently more difficult than irregularities that result from error, which gives rise to a risk of material misstatement. We are of the opinion that the planned audit approach, the documentation and interrogation of the charity's controls means that the audit procedures carried out were capable of detecting irregularities, including fraud. We have also reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations and have reviewed correspondence with regulatory bodies as part of our audit procedures.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2023

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BSN Associates Limited

BSN Associates Limited
Chartered accountants & statutory auditor
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

1 July 2024

Environmental Funders Network

Statement of Financial Activities for the year ended 31 December 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income					
Grants and donations	2	384,108	202,570	586,678	471,694
Income from charitable activities	3	127,715	-	127,715	69,945
Total income		511,823	202,570	714,393	541,639
Expenditure					
Expenditure on raising funds	4	12,912	-	12,912	11,093
Expenditure on charitable activities	4	453,097	155,241	608,338	462,503
Total expenditure		466,009	155,241	621,250	473,596
Net income/(expenditure)		45,814	47,329	93,143	68,043
Reconciliation of funds					
Fund balances brought forward		466,275	9,874	476,149	408,106
Fund balances carried forward		512,089	57,203	569,292	476,149

The statement of financial activities includes all gains and losses for the period from 1 January to 31 December 2023. All income and expenditure derive from continuing activities.

The notes on pages 26 to 33 form part of these financial statements.

Environmental Funders Network

Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	797	357
Current assets			
Debtors	10	25,202	37,213
Cash at bank		609,454	466,806
		634,656	504,019
Liabilities			
Creditors falling due within one year	11	(66,161)	(28,227)
		568,495	475,792
Net current assets		568,495	475,792
Total assets less current liabilities		569,292	476,149
Net assets		569,292	476,149
Funds			
Unrestricted			
General	12	335,764	217,505
Designated		176,325	248,770
		512,089	466,275
Restricted	12	57,203	9,874
Total funds		569,292	476,149

The notes on pages 26 to 33 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 1 July 2024, and were signed on its behalf by:



Catherine Bryan, Trustee

Environmental Funders Network

Statement of Cash Flows for the year ended 31 December 2023

	2023	2022
	£	£
Cash flows from operating activities	143,711	29,381
Cash flows from investing activities		
Purchase of fixed assets	(1,063)	-
Cash used in investing activities	(1,063)	-
Increase in cash and cash equivalents in the period	142,648	29,381
Cash and cash equivalents at the start of the period	466,806	437,425
Cash and cash equivalents at the end of the period	609,454	466,806

Reconciliation of net movement in funds to net cash flows from operating activities

	2023	2022
	£	£
Net movement in funds	93,143	68,043
Add back depreciation charge	623	666
Decrease/(increase) in debtors	12,011	(27,063)
Increase/(decrease) in creditors	37,934	(12,265)
Net cash flows from operating activities	143,711	29,381

Environmental Funders Network

Notes to the Financial Statements for the year ended 31 December 2023

1. Accounting policies

General information

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO) and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SC050579).

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Individual fixed assets costing over £1,000 are capitalised at cost, and are depreciated over their useful economic lives as follows:

Computer equipment - 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a particular purpose.

Environmental Funders Network

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. They are split between projects in line with salaries.

Support costs allocation

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute directly to more than one activity are apportioned between those activities according to their use or time spent on each.

Judgements and key sources of estimation uncertainty

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

2. Grants and donations

	Unrestricted funds		Restricted funds		Total	Total
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
		Restated		Restated		
Trust and foundation grants	61,500	167,500	187,570	109,000	249,070	176,500
Membership contributions	322,608	265,462	15,000	15,000	337,608	280,462
Other donations	-	14,732	-	-	-	14,732
Total grants and donations	384,108	347,694	202,570	124,000	586,678	471,694

The 2022 figures above have been restated to reclassify grants totalling £101,000 received towards core costs as restricted income.

3. Income from charitable activities

	Total	Total
	2023	2022
	£	£
Retreat, event and workshop fees	104,406	51,941
Other	23,309	18,004
Total income from charitable activities	127,715	69,945

Environmental Funders Network

4. Expenditure

	Charitable activities 2023 £	Raising funds 2023 £	Support costs 2023 £	Total 2023 £	Total 2022 £
Research costs:					
Where the Green Grants Went	38,525			38,525	7,957
What the Green Groups Said	-			-	27,628
Other research	7,000			7,000	10,000
Expanding Environmental Philanthropy	102,154			102,154	72,936
Strengthening the Network	213,927			213,927	152,449
Strengthening the Sector	125,033			125,033	84,385
EFN Scotland	34,277			34,277	29,187
Raising funds		10,589		10,589	8,358
Staff travel & home office costs			12,438	12,438	7,755
Administration costs			23,033	23,033	18,971
Staffing support costs			35,811	35,811	30,403
Governance & legal costs			18,463	18,463	23,567
	520,916	10,589	89,745	621,250	473,596
Allocation of support costs	87,422	2,323	(89,745)	-	-
Total	608,338	12,912	-	621,250	473,596

The charity identifies governance and other support costs, and apportions them to direct charitable activity, and raising funds on the basis of staff time.

<i>Prior period comparatives</i>	<i>Charitable activities 2022 £</i>	<i>Raising funds 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total 2022 £</i>
Research costs:				
Where the Green Grants Went	7,957			7,957
What the Green Groups Said	27,628			27,628
Other research	10,000			10,000
Expanding Environmental Philanthropy	72,936			72,936
Strengthening the Network	152,449			152,449
Strengthening the Sector	84,385			84,385
EFN Scotland	29,187			29,187
Raising funds		8,358		8,358
Staff travel & subsistence			7,755	7,755
Administration costs			18,971	18,971
Staffing support costs			30,403	30,403
Governance & legal costs			23,567	23,567
	384,542	8,358	80,696	473,596
Allocation of support costs	77,961	2,735	(80,696)	-
Total	462,503	11,093	-	473,596

Environmental Funders Network

5. Net income/(expenditure)

This is stated after charging:

	Total 2023	Total 2022
	£	£
Depreciation of tangible fixed assets	623	666
Audit fees	6,120	5,832

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

	Total 2023	Total 2022
	£	£
Salaries and wages	291,474	245,976
Social security costs	25,977	21,205
Pension costs	20,768	17,193
	338,219	284,374

One employee earned over £60,000 during the year (2022: one).

The average number of FTE staff per month was 6.2 (2022: 5.6), and the average headcount per month was 8.2 (2022: 7.7).

The key management personnel of the charity comprise the trustees and the Director. The total employee benefits of the key management personnel were £74,036 (2022: £64,445).

The charity trustees received no remuneration during the year (2022: nil)

Two (2022: three) trustees were reimbursed travel expenses during the year totalling £586 (2022: £665). Trustees are encouraged to have their travel expenses reimbursed.

Environmental Funders Network

7. Pension costs

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £20,674 (2022: £17,193).

8. Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9. Tangible fixed assets

	Computer Equipment £
Cost:	
At 1 January 2023	2,663
Additions	1,063
Disposals	(1,149)
At 31 December 2023	<u>2,577</u>
Depreciation:	
At 1 January 2023	2,306
Disposals	(1,149)
Charge for the year	623
At 31 December 2023	<u>1,780</u>
Net book value:	
At 1 January 2023	<u>357</u>
At 31 December 2023	<u>797</u>

Environmental Funders Network

10. Debtors

	Total 2023	Total 2022
	£	£
Trade debtors	17,845	34,315
Prepayments and accrued income	7,357	2,898
	25,202	37,213

11. Creditors

	Total 2023	Total 2022
	£	£
Trade creditors	4,991	1,847
Accruals and deferred income	58,462	24,137
Other creditors	2,708	2,243
	66,161	28,227

12. Analysis of charitable funds

Analysis of unrestricted funds

	Funds	Income	Expenditure	Transfers	Funds
	1 Jan 23				31 Dec 23
	£	£	£	£	£
General funds	217,505	511,823	(393,564)	-	335,764
Designated funds					
Expanding environmental philanthropy	39,000	-	(5,133)	-	33,867
‘Where the Green Grants Went’ & ‘What the Green Groups Said’	14,726	-	(14,726)	60,620	60,620
Supporting sector fundraising	9,664	-	-	-	9,664
Experimenting for impact	67,380	-	(52,586)	-	14,794
Programme fund	118,000			(60,620)	57,380
Total unrestricted funds	466,275	511,823	(466,009)	-	512,089

Environmental Funders Network

The general fund represents the unrestricted reserves after allowing for all designated funds.

The expanding environmental philanthropy fund is designated for media work raising the profile of environmental philanthropy, with the goal of inspiring and encouraging new donors to give to environmental causes.

'Where the Green Grants Went' & 'What the Green Groups Said' is for updates to these two studies which take the pulse of the UK's environment sector and paint a picture of its resources. The findings produce new insights into the environment sector and its needs.

Supporting sector fundraising is set aside for work with fundraisers from across the environment sector, providing access to resources and peer-to-peer networking, and developing collaboration opportunities identified by the sector.

The experimenting for impact fund is enabling us to explore new ideas to connect – it has funded the development stage of the Philanthropy Lab which is bringing funders together to experiment and collaborate towards a big 'North Star' goal. It will also help subsidise an experiential retreat for our members and continues to fund the cost of our Environment Sector Programme Lead who works on the NGO facing side of our work, fostering connections between NGOs and their funders.

The programme fund is designated for delivery of our programmatic strategy through to 2026 and particularly up to the end of 2024. Our ambitious strategy requires commitment to multi-year workstreams and an ability to be responsive and flexible. This designated fund will contribute to this across all three pillars of our work, although additional, planned fundraising will be required for full implementation of our strategy.

Analysis of restricted funds

	Funds 1 Jan 23	Income	Expenditure	Funds 31 Dec 23
	£	£	£	£
Restricted funds				
Core work	-	96,000	(96,000)	-
EFN Scotland	9,874	25,150	(15,715)	19,309
Inter-Narratives	-	39,125	(26,769)	12,356
Environmental Impact Investing Group (EIIG)	-	30,000	(14,462)	15,538
Climate Activist Speaker Fund	-	10,000	-	10,000
Professional development	-	2,295	(2,295)	-
Total restricted funds	9,874	202,570	(155,241)	57,203

Core work is restricted funding received for the core costs of the organisation.

Environmental Funders Network

EFN Scotland is funding specifically to support the work of our Scotland Coordinator to grow and develop environmental philanthropy, fundraising and funding in Scotland.

Inter-Narratives is project funding which has established a community (of 120+ organisations) - people working on narrative change and the role it plays in systems change. We convene the community, curate sessions, and share and amplify narrative insights and work in our newsletter and publications.

Environmental Impact Investing Group (EIIG) is a 12-month pilot to support trusts, foundations and individuals who wish to learn more about environmental impact investing and develop their work in this area. It offers an online learning programme, in-person Market Information Days (MIDs) and a network to exchange ideas and learning.

The **Climate Activist Speaker Fund** is a pilot programme that is testing a new mechanism to support young climate activists to deliver their messages far and wide, funded by the philanthropic community, including those who may not otherwise be able to fund individuals. Ultimately it aims to magnify the impact activists and funders can have.

Professional development was funding received towards the cost of some leadership training.

13. Analysis of net assets between funds

	General fund	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	797	-	-	797
Cash at bank	369,267	178,501	61,686	609,454
Other current assets/(liabilities)	(34,300)	(2,176)	(4,483)	(40,959)
Total net assets	335,764	176,325	57,203	569,292

14. Related party transactions

There were no related party transactions during the year or in the preceding year.

ENVIRONMENTAL FUNDERS NETWORK

England & Wales - Charity number 1181318

Accounts



Environmental Funders Network

Annual Report and Accounts

Year Ended 31 December 2022

Registered Charity Numbers: 1181318 and SC050579

Environmental Funders Network

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Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Our mission and vision

Environmental Funders Network ('EFN') aims to increase the levels of philanthropic support for environmental causes and to improve its overall effectiveness.

Our vision is of a world where people and planet thrive.

Our activities and goals

- We are a network of, and for, funders and advisors with an interest in the environment, supporting the whole philanthropic ecosystem, from individual donors and private foundations to intermediaries, pooled funds, and philanthropy and wealth advisors.
- We also support those working on and fundraising for environmental issues.
- We create connections between people funding or working on environmental issues, and bolster their agency, ambition, and effectiveness.
- We are UK-based, with a UK and international outlook.

We have three goals, or pillars of work, aligned with our mission:

- 1. Improving the effectiveness of environmental philanthropy**
- 2. Expanding environmental philanthropy** (encouraging new donors to support environmental causes, and established donors to increase their giving)
- 3. Supporting those that do environmental work to be more effective**

Our work

We use several approaches within each pillar of our work:

- Research to understand patterns of grant making, gaps, and the priorities and needs of the sector
- Convening to create, build and strengthen relationships between funders, between environmental groups, and between funders and environmental groups
- Publications and other products to inform, inspire and motivate funders and the wider sector
- Informational talks, workshops, field trips and retreats to input from a range of experts and practitioners

We aim to provide leadership in our programming and push boundaries, where we feel necessary.

Environmental Funders Network

The objects of the charity

The object of the Environmental Funders Network is the promotion of the effective use of resources for charitable purposes by charitable and non-charitable bodies in the Environmental Sector, being the part of the voluntary sector concerned with the conservation, protection and improvement of the physical and natural environment, for the benefit of the public by:

- a. liaising with, researching and acting as a forum for the exchange of information between organisations working in the Environmental Sector, in order to identify how the sector might better achieve charitable purposes in conservation, protection and improvement of the physical and natural environment, including but not limited to identifying funding gaps and gaps in service provision in the sector;
- b. providing advice and information to existing and potential funders of charities and non-charitable bodies working in the Environmental Sector to encourage them to increase their funding and to provide funding in a way which increases the effective application of funding for charitable purposes by the Environmental Sector;
- c. providing charities working in the Environmental Sector with strategic and fundraising advice; and
- d. such other means as the charity trustees shall from time to time think fit.

Public benefit

EFN's trustees have given due regard to the guidance issued by the Charity Commission on public benefit. They consider that EFN's activities and achievements, outlined in this report, demonstrate considerable benefit to the environmental philanthropic sector, both in making it more effective and expanding it (encouraging new donors to support environmental causes, and established donors to increase their giving). In addition, EFN's work has supported those working on and fundraising for environmental issues to be more effective. By helping to ensure that environmental work is better resourced and supported, EFN provides clear public benefit to all.

ACHIEVEMENT AND PERFORMANCE

Main achievements of the charity during the year

Throughout 2022 the major contextual changes for our work included:

- Interest in environmental philanthropy continuing to rise, with more new donors entering the space and some established funders scaling up their environmental giving.
- Complementary new organisations and initiatives emerging, focused on increasing funds for environmental causes, with which we developed partnerships.
- Climate and nature continuing to be of public concern in the UK, with extreme summer temperatures making the crisis real for many.
- Climate activism continuing to make headlines.
- But non-environmental concerns – the cost-of-living crisis, war in Ukraine, political turmoil in the UK and the ongoing Covid-19 pandemic – combining to create a challenging context for environmental work.

Environmental Funders Network

EFN in 2022: a quantitative round-up:

- We put on **43** events (largely online, though some in person) attended by **481** funders, including staff and trustees from over **200** trusts and foundations and over **70** individual donors
- Our funder newsletter supported over **850** funders with resources and invitations to meetings and events to inform their giving
- **240** fundraisers connected on our new 'Green Fundraisers Forum' on Slack
- Our 'Green Fundraisers Forum' newsletters supported **630** representatives of environmental groups – up by over 200 this year
- Over **100** funders and environmental group leaders attended our *What the Green Groups Said* Symposium to discuss effectiveness
- Over **150** fundraisers attended our meetings convening fundraisers from across the sector
- We directly raised almost **£2.8 million** for environmental initiatives through our partnerships with the Big Give and The Funding Network

Quotes from our members in 2022 included:

'EFN membership provides members of [our foundation's] executive team and trustees with valuable insights and updates, as well as incomparable networking opportunities. A small team like ours simply couldn't achieve what we do in the environmental space without you!'

'EFN continues to be enormously beneficial to us with education, collaboration, resourcing and community.'

'We're happy to keep contributing to this powerful network.'

'You are always such a font of knowledge and provide an ideal opportunity for quality networking.'

'A brief note to say well done on the fundraiser collaboration event last week. It's really encouraging to see such clear and targeted aims and progress. Looking forward to seeing and helping this come to life!'

There is plenty of further evidence of our work achieving its goals within each of our three work streams:

Improving the effectiveness of environmental philanthropy

During 2022, we were able to offer over 40 events to support funders and the sector to be more effective and connected, focused on a diverse array of topics, from nature conservation policy in the UK to a workshop on models of how social change happens.

Environmental Funders Network

We were able once again to offer our annual two-day retreat for funders in person, which was well-received.

'This was my first in-person retreat and I had such a wonderful time and really feel like I have connected on a deeper and more meaningful level with others working in this space – thank you!'

'I have always found the EFN Retreat to be the best event of the year. This year's was no exception!'

Our other initiatives to support funders included the development of our new **Philanthropy Lab**, with eight foundations and individual donors signing up to be its initial catalyst participants, starting in early 2023. The Lab will foster a new way of working that supports more collaborative and systemic approaches to philanthropy. This first iteration will focus on 'creating economies in service to life.'

We continued to convene our **Climate Funders Group**, co-coordinated with Tessa Durham of Gower Street and Greg Hilditch of Global Greengrants Fund UK, helping funders embrace effective climate philanthropy in the UK and internationally.

We were also pleased to partner with the Esmée Fairbairn Foundation to deliver the learning programme for the **Environmental Finance & Learning Fund**, which has 15 participating funders, providing £679,000 for the Esmée Fairbairn Foundation to invest, matched three times over by the Esmée Fairbairn Foundation. That has provided £2.7m total to deploy in environmental investments over three years. Participants are learning about the process of making environmental investments, helping them to make informed decisions about how to invest directly and building the environmental investment market.

In May we published the third edition in our [What the Green Groups Said](#) research series, which surveyed chief executives of 116 environmental organisations. The aims of this research are to provide a portrait of the sector's strategies, priorities and needs, so that we can feed these back to funders to inform their giving and other ways they support civil society, but also to inform our own work to support the sector. Our symposium in September brought together NGOs and funders to discuss the key findings.

Our other research series – [Where the Green Grants Went](#) – continues to be used regularly by funders and NGOs to inform and refine their strategies, and we presented an in-depth analysis of Scotland-specific grants data to Scottish funders/NGOs in September

Finally, over the year, our monthly newsletter provided 850 funders and advisors with resources to support their giving and their grantees, and invitations to EFN and other events to support effective giving to environmental causes.

'Thanks again for the best newsletter in the sector, always a great read'

Expanding environmental philanthropy

In 2022, this programme continued to focus on inspiring new environmental donors to act and to feel a sense of agency, but now that there is much more awareness about the climate and nature crisis, our work has tipped more towards supporting donors to act. We do this by working in partnership with others, advising new donors, and helping funders to recognise the intersections between their aims and the environment.

Environmental Funders Network

We are delighted to work with an array of partners, the Association of Charitable Foundations, The Beacon Collaborative, New Philanthropy Capital, and UK Community Foundations among others, supporting their networks of funders to start giving or give more to environmental causes.

Through joint events with The Funding Network, we helped:

- raise over £100k for five small environmental charities in 2022
- raise more than £300k for small charities over five years, which they used to bring in a further £1.2 million to support their work

In partnerships with the Big Give, we have:

- raised nearly £2.8 million for 146 environmental charities in 2022 (an increase from £1.8 million in 2021)

We also offer bespoke advice and have frequent calls and meetings with prospective donors to environmental causes, to make recommendations and connections.

- We often connect new environmental donors to other organisations that offer in depth training, resources, and advice, such as Active Philanthropy, Impatience Earth, and Climate Leadership Initiative.
- We produce resources to support new donors, such as our [Acting on the Climate Crisis](#) resource pack for funders, updated in 2022.

We help funders to explore the intersections between their aims and the environment and support them to start giving to environmental causes. In 2022, we published a [‘Healthy Planet, Healthy People’](#) philanthropy briefing with NPC as part of our series exploring the links between the environment and human health. We also started to explore how funders can support the arts, culture and entertainment sectors to inspire action on the climate and nature crisis and reimagine the world we want to live in – this programme will be developed in 2023.

Our work in Scotland reflects our broader work, aiming to network and galvanise funders in Scotland to support environmental causes. In 2022, we hosted three events for Scottish funders, gave talks and presentations on environmental giving at a wide range of meetings and provided extensive advice to funders and environmental groups bilaterally.

Ten Scottish-based foundations have now signed on to the Funder Commitment on Climate Change – remarkable given how few Scottish-based foundations were funding environmental work when we launched our Scotland programme.

With our encouragement, Scottish eNGOs applied to the Big Give’s Green Match in large numbers and over 10% of the featured organisations were based in Scotland; 15 Scottish eNGOs raised over £200,000 for their work.

‘When EFN started, environmental giving was a pond, now it’s a lake – let’s make it an ocean!’ - EFN member

Improving the effectiveness of the sector

This strand of our work focuses on supporting the environment sector to become more effective, in particular in terms of its fundraising, communications and connectivity, and was given a great boost in May 2022 with our hiring of a programme lead, Natasha Ratter. Since then, Natasha has worked hard to meet with as many people and organisations as possible across the sector.

Environmental Funders Network

Our **Green Fundraisers Forum** and fundraisers' mailing list now have over 600 subscribers. The forum enables people working within a wide range of environmental groups to get to know each other, fostering a culture of collaboration and providing opportunities for learning, discussion, and relationship building.

In addition to sharing new funding opportunities and helpful resources with the group, we also run convenings for fundraisers throughout the year to discuss emerging themes and to hear from experts and people working on the ground. In May we ran two sector collaboration workshops, attended by over 40 representatives from environmental groups (mainly senior fundraisers) who are working across various thematic issues. The goal of these workshops was to establish a set of sector-wide strategic projects to bring more resources into the sector, and which EFN could support and facilitate.

We are now working to develop three ideas that emerged from the convening:

1. Engaging wealth advisors around environmental philanthropy
2. Developing a 'map' of the sector that would be useful to both funders and environmental groups
3. A sector wide media appeal to create a sea change in environmental funding

These activities will be the flagship projects within each of our three focus areas in our Strengthening the Sector work.

In September, we ran a symposium to discuss the findings of our 'What the Green Groups Said' report. We had a mixed audience of over 100 environmental funders and environmental group leaders, bringing together a broad range of perspectives to debate the key challenges and opportunities facing the sector.

This year we have also launched the **Climate Activist Speaker Fund** to help funders keen to support the critical work of young climate and nature activists (who themselves lack access to funding) but who need to distribute funds to registered organisations rather than unincorporated groups or individuals.

The fund will test a new way of supporting young activists by compensating them for delivering their messages far and wide, aiming to magnify the impact activists and funders can have.

The fund was conceptualised by and for activists as a simple way for them to access unrestricted philanthropic funding while also receiving long-term benefits such as training, peer networks, well-being support and greater audience reach.

Meanwhile, during 2022 our **Rapid Response Fund** provided 12 applicants with £187,046, rapidly disbursed by funders to help them seize opportunities or respond to crises. Amongst other initiatives, the funders were able to support:

- The Messaging this Moment project led by The Culture Initiative, which provided messaging advice across sectors on how to communicate about climate change and the cost-of-living crisis without pitting them against each other.
- A campaign by International Lawyers Project which stopped the Kenyan Parliament from passing an amendment that would have removed legislative protections for Kenya's forests.
- A citizen science initiative to test levels of radioactivity in sediment dumped into the Severn Estuary during construction of new nuclear reactors at Hinkley Point.

Finally, this strand of our work also included the **Reset Narratives Community**, housed at EFN and led by Ella Saltmarshe and Paddy Loughman with our support. That initiative, which has regular meetings and a monthly newsletter, supports organisations focused on climate, social justice and new economy work to communicate more effectively, based on evidence, in ways that reinforce the goals of all three movements.

Environmental Funders Network

'EFN is doing some great work which is much appreciated – I feel well networked and supported! I can't wait to see what's planned for next year.'

'Well done on the fundraiser collaboration event last week. It's really encouraging to see such clear and targeted aims and progress. Looking forward to seeing and helping this come to life!'

Monitoring our impact

As the above text indicates, we track our impact with a mixture of quantitative and qualitative data. Quantitative data (tracked through our Where the Green Grants Went series, as well as our monitoring of our activities) helps us see how much we are contributing to the increase in grant funding to environmental issues, how many funders we are supporting to give more effectively, and how many people and organisations working on environmental issues we are supporting with convening and resources. Alongside those numbers, we get clear insights into the difference we are making through written and oral feedback from our members about the value we add to the ecosystem of environmental actors in the UK.

Our vision, of a world where people and planet thrive, will only be brought about by myriad organisations and individuals working in concert with one another. Ultimately monitoring our impact is about looking to see how we are contributing to that goal.

Organisational development

We welcomed a new staff member in 2022 – Natasha Ratter joined us as Sector Programme Lead in May. Also, we were really pleased that Aliyah Green has become a permanent part of our team, continuing to work with EFN as Communications Coordinator, after her 2027 Programme Associate placement ended in October 2022. Our full time equivalent (FTE) staff numbers have increased from 3.9 in 2021 to 5.6 in 2022. As an office-less team, we invested in time spent together during 2022, including at a two-day nature-based team building retreat. We enjoy working together and do so very collaboratively, with everyone taking a lead on a particular aspect of our work but supporting each other across all its areas.

After welcoming three new trustees in 2021, it was time to say goodbye to Stephen Pittam (in late 2021), and Harriet Williams and our Chair, Hugh Raven, during 2022. We are so grateful that they have been part of EFN, sharing their expertise and wisdom over many years, and were very pleased to be able to mark that at an event in November to celebrate our 20th anniversary, and all that has been achieved during that time. We are also so thankful to Catherine Bryan who became the new Chair of EFN in October, and who led a session with staff and trustees to inform work on our [strategy for 2023-26](#).

We also established a new **Scotland Advisory Group** in 2022 to network and galvanise more funders (and their professional advisers) to support environmental work in Scotland and beyond, work that is led by EFN's Scotland Coordinator Julie Christie.

In 2022 we developed various new policies to guide our work, including on Partnerships, Membership Eligibility & Code of Respect for Members, Safeguarding, Volunteering and Expenses.

Environmental Funders Network

EFN is committed to the principles of **justice, equity, diversity, and inclusion**, recognising their inherent value and necessity, including for effective environmental work. Acknowledging that there are many facets to diversity, we focused in 2022 on anti-racism, looking at how our organisation operates internally and in our outward-facing work. Supported by 'You Change It' anti-racism allyship training, our board and staff team agreed follow-up actions to take this work forwards.

Our principal actions in 2022 were to:

- Develop a plan to ensure that EFN supports and gives a platform to groups that are led by, and work with, a diversity of people (for example through our events, blog and Rapid Response Fund), with a particular focus on people from racialised communities.
- Develop practices and policies to foster an inclusive culture at EFN, including a policy on microaggressions and practices learnt from the EFN Retreat's Building for Belonging workshop led by Collaborative Future.
- Significantly change our hiring practices, adopting measures to reduce bias.
- Submit internal racial diversity data to the first iteration of the RACE Report and encourage organisations in our networks to participate.
- Review the guidance and recommendations in the Route map towards greater ethnic diversity in the environment sector to identify additional priority actions for own work and to support the wider sector.

This work will be ongoing, and we look forward to reporting back to the network in future years on our progress in embodying the values of justice, equity, diversity, and inclusion.

FUTURE PLANS

We will continue our core work and approaches, especially getting back to a full programme of in-person events, but we also plan the following new projects and areas of focus for 2023:

Improving the Effectiveness of Environmental Philanthropy

- Equip funders with a better understanding of models of how social change happens, to inform their philanthropic decisions.
- Increase the number of opportunities for funders to hear a broad diversity of perspectives, in particular from racialised communities and from those most affected by environmental issues, in the UK and internationally.
- Increase the focus on intersections between social and environmental issues in our programming, with a particular focus on racial justice.
- Increase the focus on interconnections between nature and climate in our programming, with a particular focus on forest conservation.
- Facilitate sharing of knowledge and expertise between EFN members and with other UK/Scotland-based funder networks.
- Launch a pilot directory of funders participating in EFN with public- and funder-facing information, with at least 40 funders participating. The goal is to support members to better understand who is doing what, improving coordination and collaboration, and to make sources of philanthropic funding for environmental work more visible and accessible to the sector.
- Launch the first Philanthropy Lab as a space for funders to raise their ambition together, address issues systemically and practise more effective forms of giving to the environment.

Environmental Funders Network

Expanding Environmental Philanthropy

- Develop a programme to engage with family offices in the UK to support them to give more to environmental causes, following recommendation from EFN-commissioned research.
- Explore the option for a media campaign, to highlight the value of environmental philanthropy and the need for much more of it.
- Develop a series of online and in person events to engage arts funders with environmental causes, building on interest in how the arts, culture and entertainment can inspire individuals to take action on the climate and nature crisis.
- Provide more guidance, via events and resources, to new environmental funders and philanthropy advisors, based on feedback from funders/advisors and analysis of the resources currently available.
- Build back an in-person event programme, including events to connect with specific audiences (for example, an event for hedge fund managers, events looking at the intersections with other causes) and project visits. Specifically target the wealthiest families in the UK by organising an environmental philanthropy summit.
- Launch a pilot Environmental Impact Investment Group to help network and support funders looking to make green impact investments, growing the funding for early stage and other green ventures in need of investment.
- Develop a programme for engaging with trustees and individual philanthropists, for example, meetings to help trustees/funders influence their boards/family members such as a [Boardroom 2030](#) initiative specifically for foundation boards.
- Deliver the second year of the learning programme associated with the [Environmental Finance and Learning Fund](#), in partnership with the Esmée Fairbairn Foundation.

Improving the Effectiveness of the Sector

- Develop the three strategic projects proposed to us by the sector in our 2022 convenings:
 - Engage and support wealth and philanthropy advisors around green philanthropy.
 - Support (with partners) a large-scale media appeal to increase public awareness and funding for the environment sector.
 - Support initiatives to map the sector to better understand and visualise the complex ecosystem for the benefit of both funders and environmental groups.
- Facilitate spaces and communication channels for the sector to become better connected and more collaborative – for example, training series, talks, meetings, symposiums, a Slack channel, monthly newsletters etc.
- Deliver the pilot Climate Activist Speaker Fund to support a cohort of up to 15 youth climate activists from communities and areas most affected by climate change, testing a new mechanism of philanthropic support for activists to deliver effective messaging. The pooled fund will support young activists to undergo training and upskilling to communicate their message across diverse audiences, provide compensation for their speaking engagements and associated costs, and support activist safety and well-being.
- Encourage NGOs in our networks to submit their organisational racial diversity data to the RACE Report.
- Support the development of a climate confident third sector in Scotland (working with SCVO, other infrastructure bodies and funders) and across the UK (working with NPC on the Everyone's Environment programme).
- Support the development of the [Sustainable Wellness Environment Network](#) to ensure a healthy, resilient, effective environment sector.

Environmental Funders Network

Governance and Organisational Development

- Our work in Scotland continues to grow, and as our former Chair, based in Scotland, stepped down in late 2022, in 2023 we aim to recruit a new board member with experience of funding and/or funding networks in Scotland.

FINANCIAL REVIEW

Income

EFN's income is mainly a mixture of grants, and voluntary membership contributions (following a sliding scale based on how much each member gives out in environmental grants themselves over an annual period). We also receive income for fees towards the cost of our annual members' retreat/conference, for some of our workshops and for coordinating the Environmental Finance & Learning Fund.

The income received from membership contributions in 2022 rose considerably to £280,462 (2021: £210,923). The number of contributing members is more or less the same year on year, and this increase is due to the welcome increase in amounts contributed especially by some larger members of the network. Together with grants and donations towards our core work, and fee income, the total unrestricted fund income in 2022 rose to £518,639 (2021: £420,625), a 23% increase.

Restricted fund income fell year on year from £98,765 in 2021 to £23,000 in 2022 due to the timings of projects and project grants received. In particular, grants of £69,690 received in 2021 for the Reset Narratives project funded work into 2022.

The total income for 2022 was £541,639 (2021: £519,390).

Expenditure

Direct expenditure on our core work areas increased from £374,548 in 2021 to £384,542 in 2022 with in-person events making a welcome return to our programme. We also increased our staff team - Natasha joined EFN as Sector Programme Lead in May. EFN is fortunate to be a team working around the UK from home offices, and office costs are minimal.

Detail on our spending is given in note 4 to the accounts. Total expenditure was £473,596 (2021: £442,714).

Reserves

The net movement in funds for 2022 was £68,043, and the total reserves were £476,149 on 31 December 2022 (2021: £408,106).

£248,770 (2021: £195,900) of the reserves were designated for specific work, and a further £9,874 (2021: £51,068) were restricted funds, leaving a balance of £217,505 (2021: £161,138) in general funds.

Detail of the designated and restricted funds is shown in note 12 to the accounts which includes a description of each fund, and the purpose for which it is held. It is planned to use £151,798 of the total designated funds set

Environmental Funders Network

aside on activity in 2023, and the balance of £96,972, will be spent mainly in 2024, but also partly in 2025 and 2026 as EFN scales up its fundraising to invest in its programmes and to deliver its ambitious strategy.

Risk management and reserves policy

We maintain a risk register with risks, ratings, mitigations and monitoring listed. Key risks are monitored regularly by the Director, and by the Finance & General Purposes (F&GP) subcommittee of the Board. The full risk register is reviewed annually by both the F&GP Committee and the full Board of trustees.

The current significant risks facing the EFN are:

Risk	Mitigation
Loss of a key member of staff – the potential loss of expertise and networks to EFN would be hard to replace	EFN has a small and very welcoming team with a strong emphasis on an organisational culture that is inclusive and supportive. Staff have a good level of support from trustees. There is a Pay Review Policy which sets out how pay rises are calculated and ensures EFN continues to offer market rates of pay. Systems for tracking contacts are improving (Salesforce) and there are plans for further improvements (for example, a database of member organisations/individuals on our website, which will help capture information that is known by key staff but not currently recorded anywhere).
Managing sustainable growth so that our team are not over stretched by the increasing demands of the programme and our growing membership	The trustees and management consider this on an ongoing basis in terms of planning the strategy for the future. Line managers are supportive, and aware of the potential effects of these demands on the wellbeing of the staff team.
Increasing environmental challenges (including from climate change) leads to more pressure on the sector	As demand for our services rises, we are hopeful that membership income will, too, enabling us to meet it. Our strength as a network organisation may be for members to help each other manage the effects of climate change on their organisations.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

EFN holds reserves to enable it to:

- meet its contractual obligations (including the completion of projects and committed administrative costs).
- designate funds for future expenditure on work to achieve its goals.
- retain a sufficient margin of funds to meet the cost of unforeseen events.

The general fund balance on 31 December 2022 was £217,505, and the free reserves (those unrestricted reserves not designated for specific purpose or invested in fixed assets) stood at £217,148.

Environmental Funders Network

The target free reserves for the year ahead are £193,042 and represent the equivalent of six months of core operational expenditure (staff costs, staff expenses and overheads) plus redundancy liabilities, and the costs of winding up the organisation. The target will rise to £239,730 in 2024 as a funded staff member will be met from the core budget from that point.

Free reserves are reviewed by the trustees at all Board meetings, and the trustees are happy that the current levels are in line with the targets. The reserves policy is reviewed annually as part of the organisational strategic planning and budgeting process for the years ahead.

Fundraising

Our fundraising activity concentrates on developing our relationship with our members, and funding applications to trusts, foundations and other funders. We understand our duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. Our specific and targeted forms of fundraising mean that we avoid these approaches, and we do not use any third-party fundraisers to act on our behalf. We have received no complaints about fundraising activity in the years ended 31 December 2022 and 31 December 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO) and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SC050579).

Recruitment and appointment of new trustees

The trustees elect new trustees, as vacancies arise, considering the skills, knowledge and experience needed for the effective administration of EFN, and clearly setting out the terms of engagement and the essential tasks of the Board. Our recruitment places an emphasis on the diversity of applicants (looking for diversity in terms of ethnic, racial, and socio-economic backgrounds, sexual orientations and gender identities, disabilities, adults of all ages, and people with a broad variety of views and perspectives), recognising that EFN's work will be strengthened by a board of trustees who bring a variety of experiences, backgrounds, and perspectives to bear on our work.

EFN's trustees must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The charity trustees may from time to time co-opt people to serve as additional charity trustees, provided that a person who has been co-opted must retire after having served for a term of one year but shall then be eligible for reappointment for a further term of one year and then for a further term of three years.

Any person retiring as a charity trustee is eligible for reappointment, save that a charity trustee who has served for six consecutive years may only be reappointed for one year at a time.

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Trustee induction and training

All potential new trustees are given the opportunity to meet the Chair of trustees, and the Director prior to their appointment. On formal appointment they receive a copy of the constitution, the latest annual report and accounts, the Board terms of reference, all relevant policies, and Charity Commission guidance.

All trustees are invited to attend an annual Away Day for staff and trustees, and an annual retreat for funders. They are also expected to attend some events each year to get a sense of the offerings of the network. Trustees are also offered training – many have recently taken part in an anti-racism allyship course together with EFN staff.

Sub Committees

There are two subcommittees, both of which consist of at least three members of the Board, and have terms of reference which have been approved by the Board:

- Finance & General Purpose (F&GP) committee which is responsible for overseeing our finances as well as our staffing and internal policies and procedures.
- Programme committee which considers the development, implementation, and evaluation of EFN's event programming for its members

Key management personnel

The key management personnel of the charity comprise the trustees and the Director. The Director is appointed by the trustees and manages the charity. They act with delegated authority for all operational matters. All trustees give of their time freely, and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 6 and 14 to the accounts. As with other roles in the organisation, the Director's salary range is benchmarked against other posts in comparable sector organisations by an external organisation and reviewed annually by the Finance & General Purposes subcommittee of the Board of Trustees as part of the organisational cost of living pay review, and the annual development review processes.

Related parties and cooperation with other organisations

Declaration of interests is a standing item on trustee meeting agendas and any contractual relationship and/or connection between a trustee with any related party is disclosed to the full board of trustees.

As a network organisation, cooperation with other organisations is a key part of our work at EFN, and we take that role extremely seriously, endeavouring to provide support to the full spectrum of organisations, from small to large and to network them with one another.

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity numbers	1181318 (England & Wales), SC050579 (Scotland)	
Principal address	48 High Street, Aylesbury, Buckinghamshire, HP18 9AF	
Trustees	Catherine Bryan (Chair from 21 October 2022) Sian Ferguson Hugh Mehta Champa Patel Hugh Raven (Chair to 20 October 2022) Resigned 20 October 2022 Harriet Williams Resigned 14 June 2022 Elizabeth Gadd Fiona Napier Eva Rehse Nicholas Addington Appointed 20 June 2023	
Key management personnel	Florence Miller	Director
Auditors	BSN Associates Limited	3B Swallowfield Courtyard, Wolverhampton Road, Oldbury, West Midlands, B69 2JG
Bankers	The Co-operative Bank	PO Box 101, 1 Balloon Street, Manchester, M60 4EP

Environmental Funders Network

TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England and Wales and in Scotland, requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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, 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 Charities SORP (FRS 102);
- make judgments 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 20 June 2023 and signed on its behalf by:



Catherine Bryan
Trustee

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

Year ended 31 December 2022

Opinion

We have audited the financial statements of The Environmental Funders Network (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, statement of financial position, statement of cashflows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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. In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

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 Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- certain disclosures of Trustee remuneration specified by law are not made; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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.

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:

Irregularities that result from fraud might be inherently more difficult than irregularities that result from error, which gives rise to a risk of material misstatement. We are of the opinion that the planned audit approach, the documentation and interrogation of the charity's controls means that the audit procedures carried out were capable of detecting irregularities, including fraud. We have also reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations and have reviewed correspondence with regulatory bodies as part of our audit procedures.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2022

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BSN Associates Limited

BSN Associates Limited
Chartered accountants & statutory auditor
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

20 June 2023

Environmental Funders Network

Statement of Financial Activities for the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income					
Grants and donations	2	448,694	23,000	471,694	499,738
Income from charitable activities	3	69,945	-	69,945	19,652
Total income		518,639	23,000	541,639	519,390
Expenditure					
Expenditure on raising funds	4	11,093	-	11,093	8,181
Expenditure on charitable activities	4	398,309	64,194	462,503	434,533
Total expenditure		409,402	64,194	473,596	442,714
Net income/(expenditure)		109,237	(41,194)	68,043	76,676
Reconciliation of funds					
Fund balances brought forward		357,038	51,068	408,106	331,430
Fund balances carried forward		466,275	9,874	476,149	408,106

The statement of financial activities includes all gains and losses for the period from 1 January to 31 December 2022. All income and expenditure derive from continuing activities.

The notes on pages 23 to 30 form part of these financial statements.

Environmental Funders Network

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	357	1,023
Current assets			
Debtors	10	37,213	10,150
Cash at bank		466,806	437,425
		504,019	447,575
Liabilities			
Creditors falling due within one year	11	(28,227)	(40,492)
		475,792	407,083
Net current assets			
		476,149	408,106
Total assets less current liabilities			
		476,149	408,106
Net assets			
		476,149	408,106
Funds			
Unrestricted			
General	12	217,505	161,138
Designated		248,770	195,900
		466,275	357,038
Restricted	12	9,874	51,068
		476,149	408,106
Total funds			

The notes on pages 23 to 30 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 20 June 2023, and were signed on its behalf by:



Catherine Bryan, Trustee

Environmental Funders Network

Statement of Cash Flows for the year ended 31 December 2022

	2022	2021
	£	£
Cash flows from operating activities	29,381	92,647
Cash flows from investing activities		
Purchase of fixed assets	-	-
Cash used in investing activities	-	-
Increase in cash and cash equivalents in the period	29,381	92,647
Cash and cash equivalents at the start of the period	437,425	344,778
Cash and cash equivalents at the end of the period	466,806	437,425

Reconciliation of net movement in funds to net cash flows from operating activities

	2022	2021
	£	£
Net movement in funds	68,043	76,676
Add back depreciation charge	666	666
Decrease/(increase) in debtors	(27,063)	(9,262)
Increase/(decrease) in creditors	(12,265)	24,567
Net cash flows from operating activities	29,381	92,647

Environmental Funders Network

Notes to the Financial Statements for the year ended 31 December 2022

1. Accounting policies

General information

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO) and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SC050579).

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Individual fixed assets costing over £1,000 are capitalised at cost, and are depreciated over their useful economic lives as follows:

Computer equipment - 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a particular purpose.

Environmental Funders Network

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. They are split between projects in line with salaries.

Support costs allocation

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute directly to more than one activity are apportioned between those activities according to their use or time spent on each.

Judgements and key sources of estimation uncertainty

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

2. Grants and donations

	Unrestricted funds		Restricted funds		Total	Total
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Trust and foundation grants	153,500	190,000	23,000	98,765	176,500	288,765
Membership contributions	280,462	210,923	-	-	280,462	210,923
Other donations	14,732	50	-	-	14,732	50
Total grants and donations	448,694	400,973	23,000	98,765	471,694	499,738

3. Income from charitable activities

	Total	Total
	2022	2021
	£	£
Retreat, event and workshop fees	51,941	1,292
Other	18,004	18,360
Total income from charitable activities	69,945	19,652

Environmental Funders Network

4. Expenditure

	Charitable activities 2022 £	Raising funds 2022 £	Support costs 2022 £	Total 2022 £	Total 2021 £
Research costs:					
Where the Green Grants Went	7,957			7,957	30,565
What the Green Groups Said	27,628			27,628	22,661
Other research	10,000			10,000	-
Expanding Environmental Philanthropy	72,936			72,936	132,917
Strengthening the Network	152,449			152,449	99,040
Strengthening the Sector	84,385			84,385	64,419
EFN Scotland	29,187			29,187	24,946
Raising funds		8,358		8,358	6,264
Staff travel & home office costs			7,755	7,755	3,110
Administration costs			18,971	18,971	20,051
Staffing support costs			30,403	30,403	23,972
Governance & legal costs			23,567	23,567	14,769
	384,542	8,358	80,696	473,596	442,714
Allocation of support costs	77,961	2,735	(80,696)	-	-
Total	462,503	11,093	-	473,596	442,714

The charity identifies governance and other support costs, and apportions them to direct charitable activity, and raising funds on the basis of staff time.

<i>Prior period comparatives</i>	<i>Charitable activities 2021 £</i>	<i>Raising funds 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total 2021 £</i>
Research costs:				
Where the Green Grants Went	30,565			30,565
What the Green Groups Said	22,661			22,661
Other research	-			-
Expanding Environmental Philanthropy	132,917			132,917
Strengthening the Network	99,040			99,040
Strengthening the Sector	64,419			64,419
EFN Scotland	24,946			24,946
Raising funds		6,264		6,264
Staff travel & subsistence			3,110	3,110
Administration costs			20,051	20,051
Staffing support costs			23,972	23,972
Governance & legal costs			14,769	14,769
	374,548	6,264	61,902	442,714
Allocation of support costs	59,985	1,917	(61,902)	-
Total	434,533	8,181	-	442,714

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5. Net income/(expenditure)

This is stated after charging:

	Total 2022	Total 2021
	£	£
Depreciation of tangible fixed assets	666	666
Audit fees	5,832	5,400

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

	Total 2022	Total 2021
	£	£
Salaries and wages	245,976	182,539
Social security costs	21,205	14,217
Pension costs	17,193	12,831
	284,374	209,587

One employee earned over £60,000 during the year (2021: nil).

The average number of FTE staff per month was 5.6 (2021: 3.9), and the average headcount per month was 7.7 (2021: 5.9).

The key management personnel of the charity comprise the trustees and the Director. The total employee benefits of the key management personnel were £64,445 (2021: £61,273).

The charity trustees received no remuneration during the year (2021: nil)

Three (2021: two) trustees were reimbursed travel expenses during the year totalling £665 (2021: £168). Trustees are encouraged to have their travel expenses reimbursed.

Environmental Funders Network

7. Pension costs

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £17,193 (2021: £12,792).

8. Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9. Tangible fixed assets

	Computer Equipment £
Cost:	
At 1 January 2022	2,663
Additions	-
At 31 December 2022	<u>2,663</u>
 Depreciation:	
At 1 January 2022	1,640
Charge for the year	666
At 31 December 2022	<u>2,306</u>
 Net book value:	
At 1 January 2022	<u>1,023</u>
At 31 December 2022	<u>357</u>

Environmental Funders Network

10. Debtors

	Total 2022	Total 2021
	£	£
Trade debtors	34,315	1,700
Prepayments and accrued income	2,898	8,450
	37,213	10,150

11. Creditors

	Total 2022	Total 2021
	£	£
Trade creditors	1,847	17,625
Accruals and deferred income	24,137	21,039
Other creditors	2,243	1,828
	28,227	40,492

12. Analysis of charitable funds

Analysis of unrestricted funds

	Funds	Income	Expenditure	Transfers	Funds
	1 Jan 22				31 Dec 22
	£	£	£	£	£
General funds	161,138	518,639	(344,272)	(118,000)	217,505
Designated funds					
Expanding environmental philanthropy	39,000	-	-	-	39,000
'Where the Green Grants Went' &					
'What the Green Groups Said'	29,815	-	(15,089)	-	14,726
Supporting sector fundraising	17,000	-	(7,336)	-	9,664
Experimenting for impact	110,085	-	(42,705)	-	67,380
Programme fund	-			118,000	118,000
Total unrestricted funds	357,038	518,639	(409,402)	-	466,275

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The general fund represents the unrestricted reserves after allowing for all designated funds.

The expanding environmental philanthropy fund is designated for media work raising the profile of environmental philanthropy, with the goal of inspiring and encouraging new donors to give to environmental causes.

‘Where the Green Grants Went’ & ‘What the Green Groups Said’ is for updates to these two studies which take the pulse of the UK's environment sector and paint a picture of its resources. The findings produce new insights into the environment sector and its needs.

Supporting sector fundraising is set aside for work with fundraisers from across the environment sector, providing access to resources and peer-to-peer networking, and developing collaboration opportunities identified by the sector.

The experimenting for impact fund is enabling us to explore new ideas to connect – it has funded the development stage of the Philanthropy Lab which is bringing funders together to experiment and collaborate towards a big ‘North Star’ goal. It will also help subsidise an experiential retreat for our members and continues to fund the cost of our Environment Sector Programme Lead who works on the NGO facing side of our work, fostering connections between NGOs and their funders.

The programme fund is designated for delivery of our programmatic strategy through to 2026 and particularly up to the end of 2024. Our ambitious strategy requires commitment to multi-year workstreams and an ability to be responsive and flexible. This designated fund will contribute to this across all three pillars of our work, although additional, planned fundraising will be required for full implementation of our strategy.

Analysis of restricted funds

	Funds 1 Jan 22	Income	Expenditure	Transfers	Funds 31 Dec 22
	£	£	£	£	£
Restricted funds					
EFN Scotland	16,348	21,000	(27,474)	-	9,874
Reset Narratives Community	34,720	-	(34,720)	-	-
Bio-leadership Project	-	2,000	(2,000)	-	-
Total restricted funds	51,068	23,000	(64,194)	-	9,874

EFN Scotland is funding specifically for our Scotland Coordinator who networks and galvanises funders to support Scottish environmental work – which, as our research has made clear, badly needs more funding.

The Reset Narratives Community was established to provide narrative infrastructure to movements seeking a green and just recovery from the Covid pandemic in the UK. The community received further funding from the National Lottery Community Fund’s ‘Growing Great Ideas’ programme to continue this work during 2022.

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Bio-leadership Project was a donation received to help fund a 'next generation' leader to participate in this fellowship programme which works with nature to provide learning, connection and support to people and projects, helping them to make breakthroughs in their life and work.

13. Analysis of net assets between funds

	General fund	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	357	-	-	357
Cash at bank	207,782	249,018	10,006	466,806
Other current assets/(liabilities)	9,366	(248)	(132)	8,986
Total net assets	217,505	248,770	9,874	476,149

14. Related party transactions

There were no related party transactions during the year or in the preceding year.

ENVIRONMENTAL FUNDERS NETWORK

England & Wales - Charity number 1181318

Accounts



Environmental Funders Network

Annual Report and Accounts

Year Ended 31 December 2021

Registered Charity Numbers: 1181318 and SC050579

Environmental Funders Network

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Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

The objects of the charity

The object of the Environmental Funders Network is the promotion of the effective use of resources for charitable purposes by charitable and non-charitable bodies in the Environmental Sector, being the part of the voluntary sector concerned with the conservation, protection and improvement of the physical and natural environment, for the benefit of the public by:

- a. liaising with, researching and acting as a forum for the exchange of information between organisations working in the Environmental Sector, in order to identify how the sector might better achieve charitable purposes in conservation, protection and improvement of the physical and natural environment, including but not limited to identifying funding gaps and gaps in service provision in the sector;
- b. providing advice and information to existing and potential funders of charities and non-charitable bodies working in the Environmental Sector to encourage them to increase their funding and to provide funding in a way which increases the effective application of funding for charitable purposes by the Environmental Sector;
- c. providing charities working in the Environmental Sector with strategic and fundraising advice; and
- d. such other means as the charity trustees shall from time to time think fit.

Goals and activities

Environmental Funders Network ('EFN') occupies a unique niche within the environment sector; we are the only UK organisation convening and networking environmental funders, and consequently we have a bird's-eye view of the sector overall. As one fundraiser put it:

'EFN are uniquely placed to deliver this kind of support. You are representative of funders and insightful about their thinking, but you are not funders. This enables us fundraisers to feel confident in speaking honestly and openly, and without feeling in competition with each other.'

Given this perspective we hold, and our ambitious vision and mission going forward, our three main goals, and our strategies and activities to achieve them are:

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Goal One - Improving the Effectiveness of Environmental Philanthropy

Our research indicates remarkably low levels of funding for environmental causes from UK trusts and foundations; total amounts hovered at £105 million - £115 million per year until 2015/16. For the three subsequent years (the latest for which we have full datasets), the total amounts have increased, reaching £204 million by 2018/19. The increase is welcome and the trajectory promising, but the total levels of funding are still far below what is necessary to facilitate the systemic changes needed to address the climate and nature crises. Given that, we feel that every pound must be spent as effectively as possible. We work to improve the effectiveness of environmental philanthropy by: keeping funders up-to-date on key issues and approaches (through meetings, publications and newsletters), fostering relationships between funders to increase the possibility of useful collaborations (through meetings, events and our annual retreat), introducing them to effective actors (NGOs and otherwise) and producing informative publications, including research that provides funders with otherwise inaccessible insights into the funding landscape.

Goal Two - Expanding Environmental Philanthropy

To address the low levels of funding for environmental causes, we work to cultivate new donors for environmental causes, aiming to increase total giving levels up to at least £500 million per year by 2025, with a stretch target of £1 billion. Our work 'growing the pie' is aimed at individuals and foundations that do not currently support environmental causes but, we think, could, because of their overall means and/or because of the overlap between environmental issues and their mission. Our activity in this area includes events and publications designed to inspire and encourage environmental philanthropy, join the dots between environmental and other issues of concern, and encourage peer-to-peer knowledge exchange. It also includes meetings for intermediaries, such as philanthropy and wealth advisors, to help inform their knowledge of effective environmental philanthropy.

Goal Three - Improving the Effectiveness of the Environment Sector

Our third strand of work, this began with two research studies surveying the chief executives of UK environmental organisations. Those studies – *Passionate Collaboration? (2013)* and *What the Green Groups Said (2017)* – took the pulse of the UK's environment sector while painting a picture of its resources. The findings produced new insights into the environment sector and its needs. Since then, we have developed initiatives to respond to the main findings, helping to coordinate funders and the sector to address some of the key needs revealed by the surveys. Thus far we have focused on fostering more collaboration in the sector (including work to bring fundraisers together), strengthening its communications and framing skills through workshops and webinars (and now a Reset Narratives Community), and creating a Rapid Response Fund to address the need for quickly accessible funds that allow the sector to respond to unexpected crises and opportunities.

Public Benefit

EFN's trustees have given due regard to the guidance issued by the Charity Commission on public benefit.

EFN's vision is of a world that is ecologically diverse and sustainable. Ample research has demonstrated that such sustainability is essential for human security and well-being, in both the short and long terms.

The environmental organisations that are working to protect and restore an ecologically diverse, sustainable world depend in part on philanthropic funds. Our research surveying the chief executives of UK environmental groups has shown that their organisations benefit from private philanthropic support not only because they need the money to do their work, but because philanthropic support tends to have characteristics that are particularly valuable to the organisations and harder to find from other sources of funds: it is typically flexible and responsive, less bureaucratic

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and faster to secure than other sources of grants (such as the government and the Lottery). Moreover, the personal relationships that environmental organisations can develop with private donors can prove to be hugely valuable to those organisations, as the donors share skills, knowledge and their networks with the organisations.

By helping funders to spend their philanthropic funds and use their influence more effectively and strategically, keeping them up-to-date with environmental issues, connecting them to environmental organisations conducting a broad range of activities, encouraging them to provide more useful forms of support (e.g. unrestricted and long-term funding) - and by encouraging new donors to support environmental causes so that more money is flowing into the environment sector - EFN is helping environmental organisations become more successful at protecting, conserving and restoring a more ecologically and sustainable world. That is of benefit to everyone.

ACHIEVEMENT AND PERFORMANCE

Main achievements of the charity during the year

Throughout 2021, the major contextual changes for our work included the ongoing restrictions of the Covid crisis and continued increase in environmental issues from the public at large, which we saw translating into increased interest from funders not previously focused on the environment or wanting to scale up their environmental giving.

Covid continues to limit the opportunities to bring people together in person, but that does not seem to have impacted on our ability to connect with people; in fact, quite the opposite, as online meetings have significantly lowered barriers to funder participation.

We continue to get people joining EFN in higher numbers than ever before. This is both a boon and something we need to grapple with; it raises, for example, questions about minimum giving levels that we would like to revisit as the network grows. And the larger the network gets, the harder it is to maintain a sense of intimacy and belonging, though if we can do some in-person retreats and meetings in 2022, that will help, and we do not think we have lost that sense at the network yet.

There is clearly much more interest from the public and the media in environmental work, which opens up new opportunities for encouraging environmental philanthropy. In the past few months, we've been asked to speak about environmental giving at a range of different events and in partnership with all kinds of different types of organisations. So as public awareness increases, so too does interest in what we are doing.

EFN in 2021: a quantitative round-up:

- 66 events, up from 40 last year and 31 the previous year
- 568 funders attended EFN events
- 339 were trust/foundation staff members or advisers (59%)
- 148 were trustees (26%) from 192 foundations
- 81 were individual donors (15%)

Our funder newsletter is now received by 789 recipients, including 225 funders added over the last year. Mailchimp counts 518 of those recipients as 'highly engaged', i.e. opening and clicking on links in the newsletter regularly.

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In terms of our work supporting environmental NGOs,

- 384 people attended our events from 203 NGOs
- 434 fundraisers are on our Green Fundraisers Forum mailing list – up by 209 from last year

Our membership contributions also tell a positive story; 103 trusts and individuals made membership contributions of £210,923 – up from £115,576 from 54 trusts and individuals in 2020. We were really delighted by this.

Early in 2021 we conducted a survey of our members, to which we received 43 responses:

- 75% of respondents said that their environmental giving had increased since joining EFN; 93% of these said that their involvement in EFN had contributed to this increase (and 58% that it had contributed 'significantly').
- EFN resources scored as most useful by respondents were the monthly newsletter, regular meetings, publications and advice from staff.
- 91% of respondents agree/strongly agree that 'EFN allows me to access insight and resources that help me feel better equipped to be an effective grantmaker'
- More critically, only 29% of respondents agreed with the statement that 'EFN helps me understand the links between environmental and social issues', and 52% that 'EFN encourages me to share knowledge and information on my giving with other funders'. Events we have held since the survey have hopefully helped address both of these areas, such as our Healthy Planet, Healthy People series (see below), though there is certainly more we can do (and have plans to do next year).

Quotes from our members in 2021 included:

'[EFN] is an invaluable resource in the area of environmental giving. Friendly, approachable, well-informed and connected, asks the right questions, radical and forward-thinking.'

'EFN is a highly effective and motivating network to be part of.'

'Easily the best issue-based philanthropy network in the UK, and the most effective national network of environmental funders in Europe.'

'[EFN is] a truly invaluable resource to those of us in environmental philanthropy. Able to cater to the interested, the novices, the generalists, the specialists and everything between in a way that is optimistic, realistic and ever helpful.'

'You're a fantastic asset to the sector.'

There is plenty of further evidence of our work achieving its goals within each of our three work streams:

Improving the effectiveness of environmental philanthropy

A major component of our work at EFN is focused on helping funders become more effective in their environmental philanthropy. We do this through events, networking and research. Our programming for funders in 2021 included events on UK and international environmental policy, nature-based climate solutions, the links between modern slavery and environmental degradation, storytelling through film, and environmentally-aligned

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investing, to name just a few; we also held a visit to a pasture-fed livestock farm, and our Climate Funders Group brought together over 200 funders working on climate from the UK and abroad for quarterly meetings.

In terms of research, in November 2021 we published the eighth edition of *Where the Green Grants Went*, which analyses environmental giving by UK foundations and lottery sources from 2016/17 to 2018/19. The key takeaway was that annual giving from UK foundations for environmental work nearly doubled between the financial years 2015/16 and 2018/19, which is extremely encouraging, although it's worth noting that environmental funding still accounted for only 6% of total UK foundation giving.

Our next edition of *What the Green Groups Said* is also in progress. This is the third iteration of a survey we conduct of environment sector leaders every few years. The aims of this research are to provide a portrait of the sector's strategies, priorities and needs, so that we can feed these back to funders to inform their giving and other ways they support civil society, but also to inform our own work to support the sector. The survey was completed by 116 environmental organisations from around the country and the findings will be published in February.

Our work to network and galvanise funders in Scotland to support environmental work continues to grow, and we were really pleased to secure funding to be able to increase the number of days worked by our Scotland Coordinator, Julie Christie, from 2 days to 3 days/week from mid 2021. She has helped Scottish environmental NGOs bring in new funds (including through the Big Give's Green Match Fund); convened funders during COP26 in Glasgow to discuss climate philanthropy and how it intersects with other philanthropic causes; convened funders and environmental NGOs with an interest in landscape-scale, 'game changing' projects for biodiversity; and provided donors and trusts with bespoke advice on environmental philanthropy in Scotland.

As our boots on the ground in Scotland, Julie presented at and attended gatherings and events including Scottish Grantmakers, Scotland Funders' Forum (climate-focused group) and the Strategic Projects Alliance (convened by NatureScot) to raise the profile of environmental philanthropy and the availability of EFN to support new donors through networking.

Finally, over the year, our monthly newsletter provided nearly 800 funders and advisors with resources to support their giving and their grantees, and invitations to EFN events. The wave of 200+ new subscribers joining in 2021 mirrored a general surge in concern about environmental issues. 'You have consistently produced inspiring and thought-provoking pieces.... your communications are always my first "go to" emails and I imagine for many others. Thank you for shining a bright light on all this work.'

Expanding environmental philanthropy

We had to change our strategy for this work because of the continued interruptions of Covid – we were able to hold almost no in-person events (formerly the mainstay of our EEP work). Despite this, we saw great progress in 2021 towards our core aims of inspiring and supporting new donors and their advisors, as well as intermediaries such as funding networks, giving circles and other philanthropy organisations.

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Our work in this programme centres on five approaches: *bespoke advice/referrals* (regular calls and meeting with prospective donors to environmental causes, to make recommendations and connections), *publications* (e.g. three briefings on Covid and environmental issues and a 'resource pack' for funders focused on 'Acting on the Climate Crisis'), *events and trips* (such as an event with Johan Rockström around the launch of his new Netflix film 'Breaking Boundaries', an AimHi masterclass for funders on the climate and nature crises, a field trip for landowners and prospective funders to the Knepp Estate to see rewilding in action, and a whole series of events on the intersections between health and the environment for health funders), *videos and podcasts* (such as four [Inspiring People podcasts](#), in which funders talk to grantees and others they think are doing inspiring work about a particular environmental issue), and *partnerships* with such organisations as Impatience Earth, the Climate Leadership Initiative and the Big Give (with whom we organised the first Big Give Green Match Fund last year, raising £1.8m for environmental charities). In addition, with the John Ellerman Foundation's support, our UKOTs work, driven by Jonathan Hall on secondment from the RSPB, sought to increase funding for conservation in these important islands. As part of that work, we produced 'The UK Overseas Territories: An unparalleled opportunity for global environmental impact', a publication that lays out how UK funders can achieve global conservation impacts in the biodiversity-rich but oft-overlooked territories; convened and liaised with funders to inform them about the conservation value of the UK Overseas Territories; and produced a podcast outlining the opportunities to make a difference.

With Forster, a communications consultancy, we also undertook a campaign to get more coverage of environmental philanthropy in the media during the year. This had mixed results, with the [most significant article](#) being published right at the end of 2020. We've struggled to find traction with the media on environmental philanthropy and continue to experiment with different ways of pitching stories.

Nevertheless, we feel our work in this strand to have been extremely effective, spurring and supporting various new commitments of funds across a range of scales. For example, one family foundation we helped to advise subsequently committed to put £14 million into environmental causes, and another business created a new £150,000 Climate Fund. And, as above, when we surveyed our members in 2021, three-quarters of them said that their giving had increased since joining EFN, and 93% of those said EFN had contributed to that increase.

Improving the effectiveness of the sector

This final strand of our work focuses on helping the environment sector become more effective, including in its fundraising, its communications and its collaborations.

As part of this, we delivered a training workshop and resources for eNGOs on 'Improving and Communicating Impact/Theory of Change,' with NPC. We anticipated 40 people signing up; instead we had 146 attending, with excellent feedback after the event.

Our Green Fundraisers Forum continued to grow and now has 450+ members, up over 200 from the year before. Due to Covid we were unable to bring together fundraisers in person, as we had hoped to do, but the online forum was active, and fundraisers have expressed appreciation for the events we invite them to attend. *"It has been great to be more involved with EFN; your events for NGOs remain invaluable for helping small organisations like ours grow our networks."*

The Reset Narratives Community that we host brings together people from over 100 organisations in the climate, new economy and social justice movements to share learnings on narrative change that will help foster a green and just response to Covid and climate change. The facilitators (Ella Saltmarshe and Paddy Loughman) are

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currently developing a website to make sure that the learnings coming out of the community can be disseminated further afield, and are also getting articles published by a range of the speakers.

Our Rapid Response Fund supported 16 initiatives in 2021, with over £200,000 in rapidly disbursed funding to help them seize opportunities or respond to crises. Amongst other initiatives, participating funders were able to support the successful #StateofNature campaign led by Wildlife and Countryside Link (which led to the UK government committing to the world's first legally-binding target to halt the decline of species abundance by 2030) and a campaign by Citizens UK for London mayoral candidates to commit to creating 60,000 green jobs by the end of 2024 (after which Sadiq Khan announced the creation of 170,000 green jobs by 2030 in his manifesto). *'The Rapid Response Fund contributed to an urgent campaign need – a poll across all EU Member States demonstrating that citizens want strong action to protect forests. It worked! Last month, the EU finally issued a first draft of a law that would ensure that EU markets are free from deforestation. Please thank those who funded us for being a crucial part of our victory!'* Note that the Rapid Response Fund is not actually a fund, per se, and no funds pass through EFN – the participating donors all make contributions directly to the applying organisations, and EFN just acts as a facilitator, getting applications reviewed by external reviewers and then sharing those that are recommended.

Monitoring our impact

Ultimately, our goal is to be completely transparent and accountable in the delivery of our activities. As an organisation we are committed to tracking quantitative data relating to our membership numbers and the number of events, publications, etc. that we deliver and how many people connect with these, as well as tracking the level of funding for environmental causes through our *Where the Green Grants Went* series. However, alongside the numbers, we are keen to share the difference we are making through written feedback from our members and case studies that outline in more detail the work that we are doing.

Growing the environmental funding pot from £204 million in 2018/19 to £500 million by 2025 is necessarily ambitious given the extent of the environmental challenges that exist right now. We look forward to working with our partners towards our vision of a sustainable and thriving planet in 2040, where, through networks like EFN, individuals, communities and nations can come together to find the solutions we so urgently need.

Organisational development

We invested in EFN's development during 2021 to strengthen our capacity to respond to demand for our work and increase our ability to rise to the challenges posed by the climate and nature crises. We welcomed two new staff members during 2021 – Helen Mian, Finance & Operations Manager and Aliyah Green, Communications Coordinator. Aliyah is a 2027 Programme Associate which is a programme that prepares brilliant professionals from working class backgrounds for decision making roles in the grant giving sector, and we are so pleased to be able to be part of it. The placement lasts a year, until October 2022.

We also appointed three new trustees during 2021 – Eva Rehse, Champa Patel and Hugh Mehta, each bringing new perspectives to EFN's governance, from grassroots giving (through Eva's role running the Global Greengrants Fund UK) to climate change and conflict and a global perspective (through Champa's experience working internationally on conflict, and Eva's global view) and expanding climate philanthropy (through Hugh's role as Philanthropy and Partnerships Manager at the Children's Investment Fund Foundation). We are delighted to have them on board.

During 2021 the board of trustees and staff team worked together to produce [our theory of change for increasing environmental philanthropy and its effectiveness](#). We are very grateful to trustee Liz Gadd for initiating and stewarding the process, and helping us to translate our thoughts into words.

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FUTURE PLANS

Our future plans to help achieve our three goals are:

Improving the Effectiveness of Environmental Philanthropy

- Environmental Philanthropy Laboratory – bringing together funders willing to experiment and collaborate towards a big “North Star” goal; currently in development
- Power, Privilege and Racial Justice in Environmental Philanthropy series
- Nature-based experiences for members and prospective environmental funders to connect with each other and with nature, away from screens
- 2022 Retreat – in person, we hope!
- Searchable databases of NGOs and fundable initiatives and/or proposals
- Searchable database of EFN members (for use by other members)

Expanding Environmental Philanthropy

- Continuation of our health and environment series and publication of a briefing paper on this intersection, with NPC
- Partnership with the Big Give Green Match Fund 2022 – aiming to raise £5m in 2022
- More field trips, including one to a seagrass project
- In-person events including what we hope will be one for arts funders on supporting environmental issues

Improving the Effectiveness of the Sector

We have identified this area of our work as in most need of resource to develop it. For example, we know we could be making much more of the 450 people participating in our Green Fundraisers Forum, and we will need capacity to respond to the findings of the *What the Green Groups Said* report when it comes out next month. As a result, we have hired an Environment Sector Programme Lead who will start in Q2 of 2022. They will help develop the strategy for this work, and conduct activities such as convening fundraisers from a range of environmental organisations to develop ideas for collaboratively ‘growing the pie’ of environmental funding.

Governance and Organisational Development

In 2022 we will be embedding our learnings from anti-racist allyship training undertaken by our whole staff and board, and led by You Make It, into our policies and practices. This will cover everything from recruitment to organisational culture, staff pay and our programmes for funders and NGOs.

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FINANCIAL REVIEW

Income

EFN's income is mainly a mixture of grants, membership contributions (following a sliding scale based on how much each member gives out in environmental grants themselves over an annual period).

During 2021 our grant and membership income grew – grants received from trusts and foundations were £288,765 (2020: £229,354) and membership contributions were £210,923 from 103 of our members (2020: £115,576 from 54 of our members). We are so pleased to see this increase in support for our work.

The total income for 2021 is £519,390 which is a 41% increase on 2020 (£367,209).

Expenditure

The increase in income has meant that we have been able to increase our investment across all our work areas in 2021. Direct expenditure on our core work areas increased from £230,383 in 2020 to £374,548 in 2021, a 63% increase. We were also able to invest in organisational support and governance, such as employing a part time Finance & Operations Manager, and recruiting three new trustees to our Board. EFN is fortunate to be a team working around the UK from home offices, and office costs are minimal.

Detail on our spending is given in note 4 to the accounts. Total expenditure was £442,714 (2020: £253,528).

Reserves

The net movement in funds for 2021 was £76,676, and the total reserves were £408,106 on 31 December 2021 (2020: £331,430).

£195,900 (2020: £108,780) of the reserves were designated for specific work, and a further £51,068 (2020: £35,086) were restricted funds, leaving a balance of £161,138 (2020: £187,564) in general funds.

Detail of the designated and restricted funds is shown in note 12 to the accounts which includes a description of each fund, and the purpose for which it is held. It is planned to spend £138,340 of the total designated funds set aside on activity in 2022, and the balance of £57,560, will fund a new Environment Sector Programme Lead staff member (to be recruited in 2022), through 2023 and into early 2024.

Risk management and reserves policy

We maintain a risk register with risks, ratings, mitigations and monitoring listed. Key risks are monitored regularly by the Director, and by the Finance & General Purposes (F&GP) subcommittee of the Board. The full risk register is reviewed annually by both the F&GP Committee and the full Board of trustees.

The current significant risks facing the EFN are:

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Risk	Mitigation
Loss of a key member of staff – the potential loss of expertise and networks to EFN would be hard to replace	EFN has a small and very welcoming team. Staff have a good level of support from trustees. There is a Pay Review Policy which sets out how pay rises are calculated, and ensures EFN continues to offer market rates of pay. Systems for tracking contacts are improving (Salesforce) and there are plans for further improvements (for example, a database of member organisations/individuals on our website, which will help capture information that is known by key staff but not currently recorded anywhere).
Managing sustainable growth so that our team are not over stretched by the increasing demands of the programme and our growing membership	The trustees and management consider this on an ongoing basis in terms of planning the strategy for the future. Line managers are supportive, and aware of the potential effects of these demands on the well being of the staff team.
Climate change impacts us in various ways including major events impacting our staff, members or events, financial impacts on us, our members and the sector, and the demand for our services increasing.	As a team of home-workers individual risk of impact from flood, fire etc is spread for EFN. As demand for services rises, hopefully so too does membership income enabling us to meet them. Our strength as a network organisation may be for members to help each other manage the effects of climate change on their organisations.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

EFN holds reserves to enable it to:

- meet its contractual obligations (including the completion of projects and committed administrative costs).
- designate funds for future expenditure on work to achieve its goals.
- retain a sufficient margin of funds to meet the cost of unforeseen events.

The general fund balance on 31 December 2021 was £161,138, and the free reserves (those unrestricted reserves not designated for specific purpose or invested in fixed assets) stood at £160,115.

The target free reserves for the year ahead are £169,976 and represent the equivalent of six months of core operational expenditure (staff costs, staff expenses and overheads) plus redundancy liabilities, and the costs of winding up the organisation.

Free reserves are reviewed by the trustees at all Board meetings, and the trustees are happy that the current levels are in line with the target. The reserves policy is reviewed annually as part of the organisational strategic planning and budgeting process for the year ahead.

Fundraising

Our fundraising activity concentrates on developing our relationship with our members, and funding applications to trusts, foundations and other funders. We understand our duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. Our specific and targeted forms of fundraising mean that we avoid these approaches, and we do not use any third

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party fundraisers to act on our behalf. We have received no complaints about fundraising activity in the years ended 31 December 2021 and 31 December 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO), and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SC050579).

Recruitment and appointment of new trustees

EFN's current trustees select the new trustees, after advertising board openings on our website, through our newsletters and more broadly, clearly setting out the terms of engagement and the essential tasks of the Board. Our recruitment places an emphasis on the diversity of applicants (looking for diversity in terms of ethnic, racial and socio-economic backgrounds, sexual orientations and gender identities, disabilities, adults of all ages, and people with a broad variety of views and perspectives), recognising that EFN's work will be strengthened by a board of trustees who bring a variety of experiences, backgrounds and perspectives to bear on our work.

EFN's trustees must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The charity trustees may from time to time co-opt people to serve as additional charity trustees, provided that a person who has been co-opted must retire after having served for a term of one year but shall then be eligible for reappointment for a further term of one year and then for a further term of three years.

Any person retiring as a charity trustee is eligible for reappointment, save that a charity trustee who has served for six consecutive years may only be reappointed for one year at a time.

Trustee induction and training

All potential new trustees are given the opportunity to meet the Chair of trustees, and the Director prior to their appointment. On formal appointment they receive a copy of the constitution, the latest annual report and accounts, the Board terms of reference, all relevant policies and Charity Commission guidance.

All trustees are invited to attend an annual Away Day for staff and trustees, and an annual retreat for funders. They are also expected to attend some events each year to get a sense of the offerings of the network. Trustees are also offered training – many have recently taken part in an anti-racism allyship course together with EFN staff.

Sub Committees

There are two subcommittees, both of which consist of at least three members of the Board, and have terms of reference which have been approved by the Board:

- Finance & General Purpose (F&GP) committee which is responsible for overseeing our finances as well as our staffing and internal policies and procedures.
- Programme committee which considers the development, implementation and evaluation of EFN's event programming for its members

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Key management personnel

The key management personnel of the charity comprise the trustees and the Director. The Director is appointed by the trustees, and manages the charity. They act with delegated authority for all operational matters. All trustees give of their time freely, and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 6 and 14 to the accounts. As with other roles in the organisation, the Director's salary range is benchmarked against other posts in comparable sector organisations by an external organisation, and reviewed annually by the Finance & General Purposes subcommittee of the Board of Trustees as part of the organisational cost of living pay review, and the annual development review processes.

Related parties and cooperation with other organisations

Declaration of interests is a standing item on trustee meeting agendas and any contractual relationship and/or connection between a trustee with any related party is disclosed to the full board of trustees.

As a network organisation, cooperation with other organisations is a key part of our work at EFN, and we take that role extremely seriously, endeavouring to provide support to the full spectrum of organisations, from small to large and to network them with one another.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity numbers	1181318 (England & Wales), SC050579 (Scotland)	
Principal address	48 High Street, Aylesbury, Buckinghamshire, HP18 9AF	
Trustees	Catherine Bryan Sian Ferguson Hugh Mehta Champa Patel Stephen Pittam Hugh Raven (Chair) Harriet Williams Elizabeth Gadd Fiona Napier Eva Rehse	Appointed 9 December 2021 Appointed 9 December 2021 Resigned 21 December 2021 Appointed 9 December 2021
Key management personnel	Florence Miller	Director
Auditors	BSN Associates Limited	3B Swallowfield Courtyard, Wolverhampton Road, Oldbury, West Midlands, B69 2JG
Bankers	HSBC	The Peak, 333 Vauxhall Bridge Road, Victoria, London, SW1V 1EJ

Environmental Funders Network

TRUSTEES' RESPONSIBILITIES STATEMENT

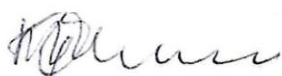
The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales and in Scotland, requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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, 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 Charities SORP (FRS 102);
- make judgments 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 13 June 2022 and signed on its behalf by:



Hugh Raven
Trustee

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

Year ended 31 December 2021

Opinion

We have audited the financial statements of The Environmental Funders Network (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, statement of financial position, statement of cashflows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effect of the matter described in the Basis for Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

The evidence available to us was limited because we were appointed as auditors during the year and we have been unable to carry out auditing procedures necessary to obtain adequate assurance regarding the opening balances and comparative figures because the financial statements for the year ended 31 December 2020 were unaudited. Any adjustments to the opening balances would have a consequential effect on the income and expenditure for the year. In addition, the amounts shown as corresponding amounts for the year ended 31 December 2020 may not be comparable with the figures for the current period.

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

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

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 Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2021

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made of 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.

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:

Irregularities that result from fraud might be inherently more difficult than irregularities that result from error, which gives rise to a risk of material misstatement. We are of the opinion that the planned audit approach, the documentation and interrogation of the entity's controls means that the audit procedures carried out were capable of detecting irregularities, including fraud. We have also reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations and have reviewed correspondence with regulatory bodies as part of our audit procedures.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Environmental Funders Network

Independent Auditor's Report to the Trustees of The Environmental Funders Network

(continued)

Year ended 31 December 2021

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BSN Associates Limited

BSN Associates Limited
Chartered accountants & statutory auditor
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

13 June 2022

Environmental Funders Network

Statement of Financial Activities for the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income					
Grants and donations	2	400,973	98,765	499,738	346,177
Income from charitable activities	3	19,652	-	19,652	21,032
Total income		420,625	98,765	519,390	367,209
Expenditure					
Expenditure on raising funds	4	8,181	-	8,181	4,695
Expenditure on charitable activities	4	351,750	82,783	434,533	248,833
Total expenditure		359,931	82,783	442,714	253,528
Net income/(expenditure)		60,694	15,982	76,676	113,681
Reconciliation of funds					
Fund balances brought forward		296,344	35,086	331,430	217,749
Fund balances carried forward		357,038	51,068	408,106	331,430

The statement of financial activities includes all gains and losses for the period from 1 January to 31 December 2021. All income and expenditure derive from continuing activities.

The notes on pages 21 to 28 form part of these financial statements.

Environmental Funders Network

Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	1,023	1,689
Current assets			
Debtors	10	10,150	888
Cash at bank		437,425	344,778
		447,575	345,666
Liabilities			
Creditors falling due within one year	11	(40,492)	(15,925)
Net current assets		407,083	329,741
Total assets less current liabilities		408,106	331,430
Net assets		408,106	331,430
Funds			
Unrestricted			
General	12	161,138	187,564
Designated		195,900	108,780
		357,038	296,344
Restricted	12	51,068	35,086
Total funds		408,106	331,430

The notes on pages 21 to 28 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 13 June 2022, and were signed on its behalf by:



Hugh Raven, Trustee



Catherine Bryan, Trustee

Environmental Funders Network

Statement of Cash Flows for the year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities	92,647	129,604
Cash flows from investing activities		
Purchase of fixed assets	-	(1,429)
Cash used in investing activities	-	(1,429)
Increase in cash and cash equivalents in the period	92,647	128,175
Cash and cash equivalents at the start of the period	344,778	216,603
Cash and cash equivalents at the end of the period	437,425	344,778

Reconciliation of net movement in funds to net cash flows from operating activities

	2021	2020
	£	£
Net movement in funds	76,676	113,681
Add back depreciation charge	666	665
Decrease/(increase) in debtors	(9,262)	1,195
Increase/(decrease) in creditors	24,567	14,063
Net cash flows from operating activities	92,647	129,604

Environmental Funders Network

Notes to the Financial Statements for the year ended 31 December 2021

1. Accounting policies

General information

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO) and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SC050579).

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Individual fixed assets costing over £1,000 are capitalised at cost, and are depreciated over their useful economic lives as follows:

Computer equipment - 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a particular purpose.

Environmental Funders Network

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. They are split between projects in line with salaries.

Support costs allocation

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute directly to more than one activity are apportioned between those activities according to their use or time spent on each.

Judgements and key sources of estimation uncertainty

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

2. Grants and donations

	Unrestricted funds		Restricted funds		Total	Total
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Trust and foundation grants	190,000	175,000	98,765	54,354	288,765	229,354
Membership contributions	210,923	115,576	-	-	210,923	115,576
Other donations	50	1,247	-	-	50	1,247
Total grants and donations	400,973	291,823	98,765	54,354	499,738	346,177

3. Income from charitable activities

	Total 2021 £	Total 2020 £
Retreat, event and workshop fees	1,292	21,032
Publication sponsorship	18,360	-
Total income from charitable activities	19,652	21,032

Environmental Funders Network

4. Expenditure

	Charitable activities 2021 £	Raising funds 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Research costs:					
Where the Green Grants Went	30,565			30,565	5,280
What the Green Groups Said	22,661			22,661	680
Other research	-			-	4,080
Expanding Environmental Philanthropy	132,917			132,917	60,788
Strengthening the Network	99,040			99,040	91,222
Strengthening the Sector	64,419			64,419	54,883
EFN Scotland	24,946			24,946	13,450
Raising funds		6,264		6,264	4,080
Staff travel & subsistence			3,110	3,110	975
Administration costs			20,051	20,051	6,632
Staffing support costs			23,972	23,972	9,520
Governance & legal costs			14,769	14,769	1,938
	374,548	6,264	61,902	442,714	253,528
Allocation of support costs	59,985	1,917	(61,902)	-	-
Total	434,533	8,181	-	442,714	253,528

The charity identifies governance and other support costs, and apports them to direct charitable activity, and raising funds on the basis of staff time.

<i>Prior period comparatives</i>	<i>Charitable activities 2020 £</i>	<i>Raising funds 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total 2020 £</i>
Research costs:				
Where the Green Grants Went	5,280			5,280
What the Green Groups Said	680			680
Other research	4,080			4,080
Expanding Environmental Philanthropy	60,788			60,788
Strengthening the Network	91,222			91,222
Retreat, workshop, field trip & event costs	54,883			54,883
Strengthening the Sector	13,450			13,450
Raising funds		4,080		4,080
Staff travel & subsistence			975	975
Administration costs			6,632	6,632
Staffing support costs			9,520	9,520
Governance & legal costs			1,938	1,938
	230,383	4,080	19,065	253,528
Allocation of support costs	18,450	615	(19,065)	-
Total	248,833	4,695	-	253,528

Environmental Funders Network

5. Net income/(expenditure)

This is stated after charging:

	Total 2021	Total 2020
	£	£
Depreciation of tangible fixed assets	666	665
Independent examination fees	-	1,800
Audit fees	5,400	-

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

	Total 2021	Total 2020
	£	£
Salaries and wages	182,539	130,916
Social security costs	14,217	8,918
Pension costs	12,831	8,989
	<u>209,587</u>	<u>148,823</u>

No employees earned over £60,000 during the year (2020: nil).

The average number of FTE staff per month was 3.9 (2020: 2.9), and the average headcount per month was 5.9 (2020: 4.3).

The key management personnel of the charity comprise the trustees and the Director. The total employee benefits of the key management personnel were £61,273 (2020: £54,796).

The charity trustees received no remuneration during the year (2020: nil)

Two (2020: one) trustees were reimbursed travel expenses during the year totalling £168 (2020: £138). Trustees are encouraged to have their travel expenses reimbursed.

Environmental Funders Network

7. Pension costs

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £12,792 (2020: £8,989).

8. Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9. Tangible fixed assets

	Computer Equipment £
Cost:	
At 1 January 2021	2,663
Additions	-
At 31 December 2021	<u>2,663</u>
Depreciation:	
At 1 January 2021	974
Charge for the year	666
At 31 December 2021	<u>1,640</u>
Net book value:	
At 1 January 2021	<u>1,689</u>
At 31 December 2021	<u>1,023</u>

Environmental Funders Network

10. Debtors

	Total 2021 £	Total 2020 £
Prepayments	8,450	-
Other debtors	1,700	888
	10,150	888

11. Creditors

	Total 2021 £	Total 2020 £
Trade creditors	17,625	-
Accruals and deferred income	21,039	14,538
Other creditors	1,828	1,387
	40,492	15,925

12. Analysis of charitable funds

Analysis of unrestricted funds

	Funds 1 Jan 21 £	Income £	Expenditure £	Transfers £	Funds 31 Dec 21 £
General funds	187,564	420,625	(286,586)	(160,465)	161,138
Designated funds					
Expanding environmental philanthropy	36,810	-	(36,810)	39,000	39,000
‘Where the Green Grants Went’ & ‘What the Green Groups Said’	56,970	-	(36,535)	9,380	29,815
Green Fundraisers’ Forum	15,000	-	-	2,000	17,000
Experimenting for impact	-	-	-	110,085	110,085
Total unrestricted funds	296,344	420,625	(359,931)	-	357,038

The general fund represents the unrestricted reserves after allowing for all designated funds.

Environmental Funders Network

The **expanding environmental philanthropy** fund is designated for media campaigns in 2022 including dissemination of the findings of our two recent research projects ('Where the Green Grants Went' and 'What the Green Groups Said').

'Where the Green Grants Went' & 'What the Green Groups Said' is for 2021-22 updates to these two studies which take the pulse of the UK's environment sector and paint a picture of its resources. The findings should produce new insights into the environment sector and its needs.

The **Green Fundraisers' Forum** is set aside for a retreat and training for this forum for fundraisers from across the environment sector, which provides access to resources and peer-to-peer networking.

The **experimenting for impact fund** will enable us to explore new ideas to connect – it will help fund an experiential retreat for our members, the cost of the Environmental Impact Lab which will bring funders together to experiment and collaborate towards a big 'North Star' goal, and an Environment Sector Programme Lead to work on the NGO facing side of our work, and foster connections between NGOs and their funders.

Analysis of restricted funds

	Funds 1 Jan 21 £	Income £	Expenditure £	Transfers £	Funds 31 Dec 21 £
Restricted funds					
UK Overseas Territories	24,036	-	(24,036)	-	-
EFN Scotland	11,050	29,075	(23,777)	-	16,348
Reset Narratives Community	-	69,690	(34,970)	-	34,720
Total restricted funds	35,086	98,765	(82,783)	-	51,068

UK Overseas Territories is funding from John Ellerman Foundation towards the cost of a secondee from the RSPB (1.5 days per week) to lead our work encouraging strategic support for conservation in the UK Overseas Territories

EFN Scotland is funding specifically for our Scotland Coordinator who networks and galvanises funders to support Scottish environmental work – which, as our research has made clear, badly needs more funding.

The **Reset Narratives Community** was established to provide narrative infrastructure to movements seeking a green and just recovery from the Covid pandemic in the UK. The community received further funding from both the Calouste Gulbenkian Foundation and the National Lottery Community Fund's 'Growing Great Ideas' programme to continue this work during 2021 and through to 2022.

Environmental Funders Network

13. Analysis of net assets between funds

	General fund	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,023	-	-	1,023
Cash at bank	176,313	206,641	54,471	437,425
Other current assets/(liabilities)	(16,198)	(10,741)	(3,403)	(30,342)
Total net assets	161,138	195,900	51,068	408,106

14. Related party transactions

There were no related party transactions during the year or in the preceding year.

ENVIRONMENTAL FUNDERS NETWORK

England & Wales - Charity number 1181318

Accounts



Environmental Funders Network

Report of the Trustees and

Unaudited Financial Statements for the Year Ended 31 December 2020

for

Environmental Funders Network

Registered Charity Number: 1181318 and SC050579

Fizz Accounting Limited
6a St Andrews Court
Wellington Street
Thame
Oxfordshire
OX9 3WT

Environmental Funders Network

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Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

The objects of the charity

The object of the Environmental Funders Network is the promotion of the effective use of resources for charitable purposes by charitable and non-charitable bodies in the Environmental Sector, being the part of the voluntary sector concerned with the conservation, protection and improvement of the physical and natural environment, for the benefit of the public by:

- (a) liaising with, researching and acting as a forum for the exchange of information between organisations working in the Environmental Sector, in order to identify how the sector might better achieve charitable purposes in conservation, protection and improvement of the physical and natural environment, including but not limited to identifying funding gaps and gaps in service provision in the sector;
- (b) providing advice and information to existing and potential funders of charities and non-charitable bodies working in the Environmental Sector to encourage them to increase their funding and to provide funding in a way which increases the effective application of funding for charitable purposes by the Environmental Sector;
- (c) providing charities working in the Environmental Sector with strategic and fundraising advice; and
- (d) such other means as the charity trustees shall from time to time think fit.

Significant Activities

To accomplish our mission, EFN has three main activity areas:

Improving the Effectiveness of Environmental Philanthropy

Our research indicates remarkably low levels of funding for environmental causes from UK trusts and foundations; total amounts have hovered at £105 million - £115 million per year for the ten years for which we have been collecting data (up to 2016). Given such a paucity of funding, we feel that every pound must be spent as effectively as possible. We work to improve the effectiveness of environmental philanthropy by: keeping funders up-to-date on key issues and approaches (through meetings, publications and newsletters), fostering relationships between funders to increase the possibility of useful collaborations (through meetings, events and our annual retreat), introducing them to effective actors (NGOs and otherwise) and producing informative publications, including research that provides funders with otherwise inaccessible insights into the funding landscape.

Expanding Environmental Philanthropy

To address the low levels of funding for environmental causes, we work to cultivate new donors for environmental causes, aiming to increase total giving levels up to at least £500 million per year by 2025. Our work 'growing the pie' is aimed at individuals and foundations that do not currently support environmental causes but, we think, could, because of their overall means and/or because of the overlap between environmental issues and their mission. Our activity in this area includes events and publications designed to inspire and encourage environmental philanthropy, join the dots between environmental and other issues of concern, and encourage peer-to-peer knowledge exchange. It also includes meetings for intermediaries, such as philanthropy and wealth advisors, to help inform their knowledge of effective environmental philanthropy.

Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

Improving the Effectiveness of the Environment Sector

Our third and most recent strand of work, this began with two research studies surveying the chief executives of UK environmental organisations. Those studies - *Passionate Collaboration? (2013)* and *What the Green Groups Said (2017)* - took the pulse of the UK's environment sector while painting a picture of its resources. The findings produced new insights into the environment sector and its needs. Since then, we have developed initiatives to respond to the main findings, helping to coordinate funders and the sector to address some of the key needs revealed by the surveys. Thus far we have focused on fostering more collaboration in the sector (including a retreat for sector leaders funded by the Esmée Fairbairn Foundation and work to bring fundraisers together), strengthening its communications and framing skills through workshops and webinars (and now a Reset Narratives Community), and creating a Rapid Response Fund to address the need for quickly accessible funds that allow the sector to respond to unexpected crises and opportunities.

EFN occupies a unique niche within the environment sector; we are the only UK organisation convening and networking environmental funders, and one of few organisations with such a bird's-eye view of the sector overall. As one fundraiser put it:

'EFN are uniquely placed to deliver this kind of support. You are representative of funders and insightful about their thinking, but you are not funders. This enables us fundraisers to feel confident in speaking honestly and openly, and without feeling in competition with each other.'

Public Benefit

EFN's trustees have given due regard to the guidance issued by the Charity Commission on public benefit.

EFN's vision is of a world that is ecologically diverse and sustainable. Ample research has demonstrated that such sustainability is essential for human security and well-being, in both the short and long terms.

The environmental organisations that are working to protect and restore an ecologically diverse, sustainable world depend in part on philanthropic funds. Our research surveying the chief executives of UK environmental groups has shown that their organisations benefit from private philanthropic support not only because they need the money to do their work, but because philanthropic support tends to have characteristics that are particularly valuable to the organisations and harder to find from other sources of funds: it is typically flexible and responsive, less bureaucratic and faster to secure than other sources of grants (such as the government and the Lottery). Moreover, the personal relationships that environmental organisations can develop with private donors can prove to be hugely valuable to those organisations, as the donors share skills, knowledge and their networks with the organisations.

By helping funders to spend their philanthropic funds and use their influence more effectively and strategically, keeping them up-to-date with environmental issues, connecting them to environmental organisations conducting a broad range of activities, encouraging them to provide more useful forms of support (e.g. unrestricted and long-term funding) - and by encouraging new donors to support environmental causes so that more money is flowing into the environment sector - EFN is helping environmental organisations become more successful at protecting, conserving and restoring a more ecologically and sustainable world. That is of benefit to everyone.

Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

ACHIEVEMENT AND PERFORMANCE

Main achievements of the charity during the year

Overall we are very pleased with EFN's activity over what was a very challenging year. Despite the need to take all of our programming online, the network thrived over the period and has continued to expand at a crucial moment in time for environmental issues.

Over 300 funders, representing 155 foundations & trusts, plus over 50 individual donors attended our meetings in 2020. More than 200 new donors joined our mailing list. We think these figures speak to the degree to which environmental funders hold us in high regard and find our programming useful. In the last year, funders have told us such things as:

'Everything EFN does is always fantastic.'

'I am sure that EFN has directly been the catalyst for an uplift in charitable giving to environmental causes, and better environmental philanthropy. EFN is going from strength to strength and what it does is a real achievement for such a small team.'

'We always find EFN to be so valuable and important in connecting us with key issues and other funders or potential grantees.'

'I have attended several online events organised by EFN and found them all very useful and inspiring. Thank you for the wonderful work! Indeed, we immediately switched our climate focus to Short-Lived Climate Pollutants after attending your webinar on the subject.'

'EFN has been a simply brilliant resource to me. I have found the network and the depth of expertise, insights and spirit of collaboration it offers invaluable. For more general funders it can be challenging to acquire the depth of knowledge needed to [decide] where best to focus resources. Without a doubt EFN has been the vital conduit for us branching out into sectors we would not have funded otherwise.'

'From its early days EFN has always been the go-to place for funders interested in environmental justice. It really has made a huge contribution to building a community of funders, and enhanced the knowledge and understanding of the field.'

There is plenty of further evidence of our work achieving its goals within each of our three work streams:

Improving the effectiveness of environmental philanthropy

A major component of our work at EFN is focused on helping funders become more effective in their environmental philanthropy. We do this through events, networking and research. Our 2020 funder meetings informed and provided a forum for discussion on a host of issues, including Covid-19, conservation finance, the future of aviation, wildlife trade, super-pollutants, beaver reintroductions, legal strategies to address climate change, youth activism, Brexit, UK environmental policy and more. In addition, we moved our two-day retreat in March online, with great success.

'I think the (online) retreat will go down in the history of EFN as one of its greatest successes. It was amazing.'

In addition to our regular issue-focused events, we launched new 'learning circles' in 2020 with Laura Miller and Andres Roberts facilitating: roundtables that bring together smaller groups of funders to delve more deeply together into the 'how' of their philanthropy. These longer sessions provide a powerful antidote to the online meeting treadmill that so many of us slipped into during the pandemic; they are a chance to connect more deeply and meaningfully on the question of how funders can be more reflective, adaptive and collaborative.

'These spaces have given me invaluable insights into myself as a funder and helped clarify the underlying principles that inform the places I want to invest time, energy and financial resource.'

Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

Our Climate Funders Group, run in collaboration with Global Greengrants Fund's Eva Rehse, brings together over 100 funders working on climate from the UK and abroad. Regular meetings over the course of 2020 provided space for the funders to share their strategies, discuss issues and hear from potential grantees on a range of climate issues. In addition, twenty members of the group, with a collective annual climate grants budget of nearly £200 million, provided us with data on their current strategies and grantmaking portfolios. That dataset - a real-time complement to our retrospective *'Where the Green Grants Went'* series - is available for funders looking to collaborate or to explore funding gaps or potential grantees.

Thanks to a grant from the William Grant Foundation, we were able to hire Julie Christie as Scotland Coordinator to network and galvanise funders to support Scottish environmental work - which, as our research has made clear, badly needs more funding. Amongst other things, in 2020 Julie helped develop plans for the new Highlands & Islands Environment Foundation, which allows donors to support environmental work in the region; convened funders and NGOs to discuss marine conservation priorities and needs in Scotland; produced a podcast on Scottish marine conservation; provided donors and trusts with bespoke advice on environmental philanthropy in Scotland; gained charitable status for EFN in Scotland through OSCR; and joined Scottish Grantmakers to better network with and support Scottish funders.

Finally, over the year, our monthly newsletter provided over 600 funders and advisors with resources to support their giving and their grantees, and invitations to EFN events. The wave of 200 new subscribers joining in 2020 mirrored a general surge in concern about environmental issues. Knowing that more and more people are thinking about how best to deploy the resources they have to address environmental issues gave us great hope in a difficult year.

'Your emails are the best I receive from anyone - upbeat, determined to bring out the best in everything and thought provoking. I enjoy them and admire them immensely.'

Expanding environmental philanthropy

A key part of EFN's mission is to encourage new donors to support environmental causes. We aim to inspire and inform, helping join the dots between environmental issues and any other issue a donor might care about. After all, a healthy environment is the bedrock on which all of society depends. Prior to the pandemic, much of this strand of our work took place in person, at gatherings hosted by established donors, encouraging peer-to-peer knowledge exchange, or at events for the clients of our partner organisations. 2020 demanded a retool: we moved our meetings online, focused on publications, and developed a podcast series.

Our 2020 publication *'Environmental Philanthropy: Stories to Inspire'* is a collection of stories from our members of their most impactful grants showcases a great range of different approaches to effective environmental giving. They describe the outcomes of grants that ranged from thousands to millions of pounds, focused on issues as varied as biodiversity loss and toxic chemicals.

Springwatch presenter Gillian Burke helped us launch the stories, hosting a conversation with Sir Mark Rylance, Sophie Marple, Kevin Cox and Ben Goldsmith about their environmental philanthropy. The collection quickly became the most visited part of EFN's website.

'Thank you for curating such a wonderful hour of stories last night. We really did feel inspired and encouraged by what we are all trying to do to protect our world - both individually and as a movement! The publication is just beautiful.'

Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

2020 also saw the launch of our new 'Inspiring People' podcast series, which brings together donors with people whose work they are most enthused about, for illuminating conversations about the role of philanthropy in solving key environmental issues. The conversations are posted on Vimeo as videos and on Spotify and Apple as podcasts.

Covid-19 shone a light on a host of environmental issues: habitat loss and its connection to zoonotic diseases; air quality and human health; our dependence on green places for our health and well-being; and our desperate need to recover from the pandemic with a green economy that lifts up everyone, not just a few. We produced briefings on these topics for funders and philanthropy advisors (available on our website), and held meetings delving into the issues, the recordings of which are available on our Vimeo site for anyone to watch.

Finally, with support from the John Ellerman Foundation, we were able to bring Jonathan Hall to EFN on secondment from the RSPB (1.5 days per week) to lead our work encouraging strategic support for conservation in the UK Overseas Territories. The UKOTs harbour almost 95% of the fauna and flora that are unique to the United Kingdom, as well as every major habitat type on Earth. They are of huge conservation significance, but often fall through the cracks when it comes to funding: funders overseas assume UK funders will support the work; UK funders aren't always aware of the need. Jonathan started with EFN in autumn 2020 and had by the end of the year developed a draft 'prospectus' outlining the needs and funding opportunities of conservation work in the UKOTs, as well as presenting the case for support to various donors.

Improving the effectiveness of the sector

The pandemic upturned everything for environmental organisations; closing down visitor sites, preventing face-to-face fundraising, stalling grant funding streams. At the same time, the devastation wrought by Covid-19 brought with it the chance to reform the environmentally destructive systems that NGOs have been seeking to change for years. Thanks to emergency grants from the Esmée Fairbairn Foundation and the Taurus Foundation, we were able to take on new initiatives to support the needs of an embattled sector trying to seize the opportunity to push for a green, fair recovery. Meanwhile, our Rapid Response Fund provided organisations with quickly disbursed funds to support their fast action to seize unexpected opportunities.

To help environmental groups struggling to access funding to support them during an unexpectedly difficult time, we created an online database of all the emergency funds available to them (answer: not all that many) and kept it updated for the first several months of the pandemic; it was accessed by over 1300 fundraisers and others.

To help environmental organisations better communicate the varied effects of the pandemic on their fundraising, operations and mission, we commissioned a blog series. Thirteen diverse organisations, focused on nature conservation, climate change, toxic chemicals and more, in the UK and abroad, described the impact of Covid-19 on their work and how they were responding. The blog posts provided valuable insights into the range of challenges organisations have faced during the pandemic and, encouragingly, the opportunities they have been seizing.

Our Green Fundraisers Forum, for fundraisers from across the environment sector, provides them with access to resources and peer-to-peer networking. Over the year, we convened the forum periodically for informal conversations, asking them to share insights into how they were coping and innovating in the face of the pandemic, both so that they could learn from each other and so that we could share their messages with funders. In response to their feedback, we organised a training series on environmental fundraising during the pandemic, led by Bright Spot Fundraising. The response far exceeded the 40 fundraisers per session we had anticipated; 547 people from 292 environmental organisations in the UK and around the world registered.

'The series of training sessions has been one of the most useful tools we've accessed during Covid-19. I couldn't have dreamed we'd have the budget to access Bright Spot training back in February and we're determined to make the most of these insights and techniques.'

Environmental Funders Network

As organisations seized the opportunity to call for a greener, fairer economy post-Covid, it became clear that they could learn from each other about how best to shift the narrative in this direction.

We agreed to host the Reset Narratives Community in 2020, which, by Ella Saltmarshe and Paddy Loughman, brings together environmental, social justice and new economy organisations to share what they are finding works - and doesn't - when communicating for a green and just economic reset. It's a valuable forum for diverse groups to see how their issues knit together. In addition to monthly community calls, there were also popular sessions for the public that brought in speakers with perspectives from other countries and beyond civil society, such as Jee Kim from the Narrative Initiative in the US, and the filmmaker Richard Curtis.

EFN's Rapid Response Fund supports initiatives aimed at responding to unexpected crises or seizing unexpected opportunities. In 2020 the participating funders provided over £200,000 in funding to 13 proposals. (Funders who take part make donations directly to the initiatives seeking grants; the money does not pass through EFN.) In most cases, funding was disbursed within a few weeks of EFN receiving the application. Amongst other initiatives, the funders were able to support:

- A 'Mock Climate COP' organised by and involving young people from around the world, held online in November 2020. It produced a powerful conference declaration for young people to take to their governments and the real climate conference in 2021.
- A pilot for a 'Zero Carbon Schools' programme run by the Green Schools Project to involve pupils in calculating their schools' carbon emissions, empowering young people with the knowledge and skills to take action on the climate crisis.
- A national campaign by Power for People calling for the Local Electricity Bill to become law, with the aim of enabling a 20-fold increase in community renewable energy generation in the UK.

Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

FINANCIAL REVIEW

EFN's income is comprised of a mixture of grants, membership contributions (following a sliding scale based on how much each member gives out in environmental grants themselves over an annual period) and fees for our annual retreat.

Expenditure relates mainly to our three key themes:

- Improving the Effectiveness of Environmental Philanthropy
- Expanding Environmental Philanthropy
- Strengthening the Sector (e.g. communications and framing webinars, fundraising network)

A small proportion is spent on support costs, and investing in governance, but EFN is fortunate to be a team working around the UK from home offices, and office costs are minimal.

EFN started operating as a separate entity in July 2019 (when it spun out from The Ecology Trust), and until September of that year, most of EFN's costs (including salaries) were borne by The Ecology Trust, so our expenditure looks higher by comparison in this year's report.

EFN had healthy reserves and a strong cash position at the end of 2020 balance sheet date. However, a substantial proportion of our funds are designated to fulfil our programmatic commitments in the year ahead, specifically:

- *Research ('Where the Green Grants Went' and 'What the Green Groups Said')*: £56,970
- *Media campaign to raise the profile of environmental philanthropy*: £36,810
- *Green Fundraisers Forum - for a retreat or trainings*: £15,000

The reserves of EFN at 31 December 2020 totalled £331,430. £35,086 of these reserves were held as restricted fund balances for two ongoing projects – for work in Scotland, and to encourage strategic support for conservation in the UK Overseas Territories. Of the remaining £296,344 of unrestricted funds, £108,780 is designated for the different strands of our programme as set out above.

The general fund balance at 31 December 2020 was £187,564, and the free reserves (those unrestricted reserves not designated for specific purpose, or invested in fixed assets) stood at £185,875.

Reserves Policy

Having considered the income flows of the charity, the growth of the charity, and the commitments of and the risks facing the charity in carrying out its activities, the Trustees consider it prudent to retain in free reserves the equivalent of six months of core operational expenditure (staff costs, staff expenses and overheads) plus redundancy liabilities, and the costs of winding up the organisation. The trustees will review this policy at least annually as part of the risk management process of the board, generally prior to the production of the annual report.

Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Environmental Funders Network is constituted as a Charitable Incorporated Organisation (CIO), and is registered as a charity in England & Wales (number 1181318) and in Scotland (number SC050579).

Recruitment and appointment of new trustees

EFN's current trustees select the new trustees, after advertising board openings on our website, through our newsletters and more broadly.

EFN's trustees must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The charity trustees may from time to time co-opt people to serve as additional charity trustees, provided that a person who has been co-opted must retire after having served for a term of one year but shall then be eligible for reappointment for a further term of one year and then for a further term of three years.

Any person retiring as a charity trustee is eligible for reappointment, save that a charity trustee who has served for six consecutive years may only be reappointed for one year at a time.

Additional governance information

The charity trustees will make available to each new charity trustee, on or before his or her first appointment:

- (1) a copy of the current version of the CIO's constitution; and
- (2) a copy of the CIO's latest Trustees' Annual Report and statement of accounts.
- (3) all EFN policies
- (4) The Charity Commission's The Essential Trustee: what you need to know, what you need to do (CC3) and the wealth of info available on the Charity Commission website.

EFN's trustees have considered the major risks to the charity - governance, financial, external, legal and operational - and the systems and procedures by which to manage them are outlined in our business plan. The trustees take conflicts of interest seriously and the organisation holds an up-to-date Conflicts of Interest register.

Environmental Funders Network

Report of the Trustees for the Year Ended 31 December 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1181318
SC050579

Principal address

48 High Street
Aylesbury
Buckinghamshire
HP18 9AF

Trustees

Catherine Bryan
Sian Ferguson
Stephen Pittam
Hugh Raven (Chair)
Stephanie Stares (resigned 31.8.20)
Harriet Williams
Elizabeth Gadd (appointed 1.9.20)
Fiona Napier (appointed 1.9.20)

Independent Examiner

Fizz Accounting Limited
6a St Andrews Court
Wellington Street
Thame
Oxfordshire
OX9 3WT

Approved by order of the board of trustees on 17 June 2021 and signed on its behalf by:



Catherine Bryan
Trustee

**Independent Examiner's Report to the Trustees of
Environmental Funders Network**

Independent examiner's report to the trustees of Environmental Funders Network

I report to the charity trustees on my examination of the accounts of Environmental Funders Network (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jane Park
Institute of Chartered Accountants in England and Wales
Fizz Accounting Limited
6a St Andrews Court
Wellington Street
Thame
Oxfordshire
OX9 3WT

Date: 22 June 2021

Environmental Funders Network

Statement of Financial Activities for the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income					
Grants and donations	2	291,823	54,354	346,177	172,218
Income from charitable activities	3	21,032	-	21,032	-
Other income	4	-	-	-	104,167
Total income		<u>312,855</u>	<u>54,354</u>	<u>367,209</u>	<u>276,385</u>
Expenditure					
Expenditure on raising funds	5	4,695	-	4,695	2,047
Expenditure on charitable activities	5	229,565	19,268	248,833	56,589
Total expenditure		<u>234,260</u>	<u>19,268</u>	<u>253,528</u>	<u>58,636</u>
Net income/(expenditure)		78,595	35,086	113,681	217,749
Reconciliation of funds					
Fund balances brought forward		217,749	-	217,749	-
Fund balances carried forward		<u>296,344</u>	<u>35,086</u>	<u>331,430</u>	<u>217,749</u>

The statement of financial activities includes all gains and losses for the period from 1 January to 31 December 2020. All income and expenditure derive from continuing activities.

The comparatives cover the period from 1 July to 31 December 2019 are all unrestricted.

The notes on pages 13 to 20 form part of these financial statements.

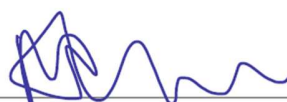
Environmental Funders Network

Balance Sheet at 31 December 2020


	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	1,689	925
Current assets			
Debtors	11	888	2,083
Cash at bank		344,778	216,603
		345,666	218,686
Liabilities			
Creditors falling due within one year	12	(15,925)	(1,862)
		329,741	216,824
Net current assets			
		331,430	217,749
Total assets less current liabilities			
		331,430	217,749
Net assets			
		331,430	217,749
Funds			
Unrestricted			
General	13	187,564	217,749
Designated	13	108,780	-
		296,344	217,749
Restricted	13	35,086	-
		331,430	217,749
Total funds			
		331,430	217,749

The notes on pages 13 to 20 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 17 June 2021, and were signed on its behalf by:



 Hugh Raven
 Trustee



 Catherine Bryan
 Trustee

Environmental Funders Network

Notes to the Financial Statements for the year ended 31 December 2020

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a particular purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. They are split between projects in line with salaries.

Environmental Funders Network

Support costs allocation

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute directly to more than one activity are apportioned between those activities according to their use or time spent on each.

2. Grants and donations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Trust and foundation grants	175,000	54,354	229,354	64,000
Membership contributions	115,576	-	115,576	108,053
Other donations	1,247	-	1,247	165
Total grants and donations	291,823	54,354	346,177	172,218

The 2019 total grants and donations income is all unrestricted.

3. Income from charitable activities

	Total 2020 £	Total 2019 £
Retreat, event and workshop fees	21,032	-
Total income from charitable activities	21,032	-

4. Other income

	Total 2020 £	Total 2019 £
Transfer of assets	-	104,167
Total other income	-	104,167

Environmental Funders Network previously operated as part of The Ecology Trust (charity no. 1099222). In 2019, Environmental Funders Network became a separate entity, and The Ecology Trust transferred £104,167 to the charity which was the total of the money held by them on behalf of Environmental Funders Network.

Environmental Funders Network

5. Expenditure

	Charitable activities 2020 £	Raising funds 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Research costs:					
Where the Green Grants Went	5,280			5,280	364
What the Green Groups Said	680			680	-
Other research	4,080			4,080	155
Expanding Environmental Philanthropy	60,788			60,788	13,560
Strengthening the Network	64,701			64,701	18,378
Retreat, workshop, field trip & event costs	26,521			26,521	4,747
Strengthening the Sector	54,883			54,883	5,953
EFN Scotland	13,450			13,450	-
Raising funds		4,080		4,080	1,457
Staff travel & subsistence			975	975	4,274
Administration costs			6,632	6,632	3,757
Staffing support costs			9,520	9,520	1,821
Governance & legal costs			1,938	1,938	4,170
	230,383	4,080	19,065	253,528	58,636
Allocation of support costs	18,450	615	(19,065)	-	-
Total	248,833	4,695	-	253,528	58,636

The charity identifies governance and other support costs, and apportions them to direct charitable activity, and raising funds on the basis of staff time.

<i>Prior period comparatives</i>	<i>Charitable activities 2019 £</i>	<i>Raising funds 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total 2019 £</i>
Research costs:				
Where the Green Grants Went	364			364
What the Green Groups Said	-			-
Other research	155			155
Expanding Environmental Philanthropy	13,560			13,560
Strengthening the Network	18,378			18,378
Retreat, workshop, field trip & event costs	4,747			4,747
Strengthening the Sector	5,953			5,953
Raising funds		1,457		1,457
Staff travel & subsistence			4,274	4,274
Administration costs			3,757	3,757
Staffing support costs			1,821	1,821
Governance & legal costs			4,170	4,170
	43,157	1,457	14,022	58,636
Allocation of support costs	13,432	590	(14,022)	-
Total	56,589	2,047	-	58,636

Environmental Funders Network

The prior period comparative figures cover the 7 month period from 1 July to 31 December 2019 when EFN started operating as a charity – previously it operated as a project held within The Ecology Trust who continued to cover some of its costs (including all salary costs) until the end of August 2019.

6. Net income/(expenditure)

This is stated after charging:

	Total 2020	Total 2019
	£	£
Depreciation of tangible fixed assets	665	309
Independent examination fees	1,800	1,650

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

	Total 2020	Total 2019
	£	£
Salaries and wages	130,916	33,196
Social security costs	8,918	390
Pension costs	8,989	2,324
	148,823	35,910

No employee earned over £60,000 during the year (2019: nil).

The average number of FTE staff per month was 2.9 (2019: 2.2), and the average headcount per month was 4.3 (2019: 3).

The 2019 comparative figures for staff costs cover September to December 2019. Prior to that the staff were employed by The Ecology Trust and their salaries were reflected in the accounts of The Ecology Trust.

The key management personnel of the charity comprise the trustees and the Director. The total employee benefits of the key management personnel were £54,796 (2019: £18,818).

The charity trustees received no remuneration during the year (2019: nil)

One (2019: three) trustee was reimbursed travel expenses during the year totalling £138 (2019: £301). Trustees are encouraged to have their travel expenses reimbursed according to Environmental Funders Network's financial policy.

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8. Pension costs

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £8,989 (2019: £2,324).

9. Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10. Tangible fixed assets

	Computer Equipment £
Cost:	
At 1 January 2020	1,234
Additions	1,429
At 31 December 2020	<u>2,663</u>
Depreciation:	
At 1 January 2020	309
Charge for the year	665
At 31 December 2020	<u>974</u>
Net book value:	
At 1 January 2020	<u>925</u>
At 31 December 2020	<u>1,689</u>

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11. Debtors

	Total 2020	Total 2019
	£	£
Other debtors	888	2,083

12. Creditors

	Total 2020	Total 2019
	£	£
Accruals and deferred income	14,538	750
Other creditors	1,387	1,112
	15,925	1,862

13. Analysis of charitable funds

Analysis of unrestricted funds

	Funds	Income	Expenditure	Transfers	Funds
	1 Jan 20				31 Dec 20
	£	£	£	£	£
General funds	217,749	312,855	(234,260)	(108,780)	187,564
Designated funds					
Expanding environmental philanthropy	-	-	-	36,810	36,810
‘Where the Green Grants Went’ &					
‘What the Green Groups Said’	-	-	-	56,970	56,970
Green Fundraisers’ Forum	-	-	-	15,000	15,000
Total unrestricted funds	217,749	312,855	(234,260)	-	296,344

The **general fund** represents the unrestricted reserves after allowing for all designated funds.

The **expanding environmental philanthropy** fund is designated for a media campaign during 2021 to raise the profile of environmental philanthropy.

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'Where the Green Grants Went' & 'What the Green Groups Said' is for 2021 updates to these two studies which take the pulse of the UK's environment sector and paint a picture of its resources. The findings should produce new insights into the environment sector and its needs.

The Green Fundraisers' Forum is set aside for a retreat and training for this forum for fundraisers from across the environment sector, which provides access to resources and peer-to-peer networking.

Analysis of restricted funds

	Funds 1 Jan 20	Income	Expenditure	Transfers	Funds 31 Dec 20
	£	£	£	£	£
Restricted funds					
UK Overseas Territories	-	29,854	(5,818)	-	24,036
EFN Scotland	-	24,500	(13,450)	-	11,050
Total restricted funds	-	54,354	(19,268)	-	35,086

The UK Overseas Territories is funding from John Ellerman Foundation towards the cost of a secondee from the RSPB (1.5 days per week) to lead our work encouraging strategic support for conservation in the UK Overseas Territories

EFN Scotland is funding from William Grant Foundation for a new post of Scotland Coordinator to network and galvanise funders to support Scottish environmental work – which, as our research has made clear, badly needs more funding.

14. Analysis of net assets between funds

	General fund	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,689	-	-	1,689
Cash at bank	194,968	108,780	41,030	344,778
Other current assets/(liabilities)	(9,093)	-	(5,944)	(15,037)
Total net assets	187,564	108,780	35,086	331,430

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15. Related party transactions

During the year the charity received grants/contributions from the following charities that have a trustee or staff member in common with The Environmental Funders Network.

Waterloo Foundation (S Stares) - £10,000 (2019: £10,000)
Mark Leonard Trust (S Ferguson) - £40,000 (2019: £40,000)
Polden-Puckham Charitable Foundation (S Pittam) - £1,500 (2019: £1,500)
Global Greengrants Fund (S Pittam) - £750 (2019: £750)
John Ellerman Foundation (H Raven) - £59,854 (2019: £6,000)

£29,854 received from the John Ellerman Foundation is included within restricted funds as it was received in relation to a specific EFN project. There are no conditions attached to any of the other grants/contributions, they are all included within unrestricted funds for the charity to spend how they choose.

16. Transfer of assets

Environmental Funders Network previously operated as part of The Ecology Trust (charity no. 1099222), but is now a separate entity. The Ecology Trust transferred £104,167 to the charity which was included in the 2019 accounts and was the total of the money held by them on behalf of Environmental Funders Network. The expenses paid on behalf of Environmental Funders Network by The Ecology Trust between 1 January 2019 and 18 October 2019 were deducted from the amount transferred and were included within The Ecology Trust's account for the year to 31 March 2020.