



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
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Environmental Funders Network

Contents of the Financial Statements for the Year Ended 31 December 2020

	Page
Report of the Trustees	1 to 9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 20

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		312,855	54,354	367,209	276,385
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		234,260	19,268	253,528	58,636
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		296,344	35,086	331,430	217,749

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.

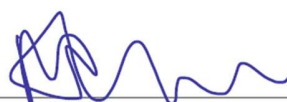
Environmental Funders Network

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)
Net current assets		329,741	216,824
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	-
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>	Charitable activities 2019 £	Raising funds 2019 £	Support costs 2019 £	Total 2019 £
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
	<u>148,823</u>	<u>35,910</u>

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.

Environmental Funders Network

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	925
At 31 December 2020	<u><u>1,689</u></u>

Environmental Funders Network

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 1 Jan 20 £	Income £	Expenditure £	Transfers £	Funds 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.

Environmental Funders Network

‘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

Environmental Funders Network

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.