

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY, LONDON

England & Wales · Charity number 802956

Details

Other names I E E P, IEEP

Status Registered

Legal form Charitable company

Company number [02458951](#)

Registered 1990-03-02

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

Contact

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Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE PROTECTION OF THE ENVIRONMENT IN THE CONTINENT OF EUROPE AND IN ALL FORMS OF NATIONAL AND INTERNATIONAL POLICY IN RELATION THERETO.

Activities: The objects of the Institute are to advance the education of the public in the protection of the environment in the continent of Europe and in all forms of national and international policy relating thereto, and to carry out research and enquiry into all aspects of the environment and environmental policy. Objects are achieved by research, advisory services, reports, conferences, website etc

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** THE CONTINENT OF EUROPE
- Belgium
- Netherlands
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£309,698	£284,957	-	-
2024-06-30	£45,407	£259,555	-	-
2023-06-30	£92,005	£301,492	-	-
2022-06-30	£137,690	£175,052	-	-
2021-06-30	£212,270	£63,335	-	-

Trustees

Name	Role	Appointed
Malini Mehra BA MA FRSA	Chair	2020-06-29
Dr David Andrew Stanners		2022-04-26
Dr Viviane Cecile Sylvie Gravey		2025-01-21
Mercedes Sanchez Varela		2025-12-09
Nicolas Jacques Molho		2024-12-04
Professor Andrew James Jordan		2026-02-03
Simon Kearey		2024-10-17

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY, LONDON

England & Wales - Charity number 802956

Accounts



Institute for
European
Environmental
Policy UK

ANNUAL REPORT

REVIEW AND ACCOUNTS

for the year ended 30 June 2025



REFERENCE & ADMINISTRATIVE DETAILS

Annual accounts for the Institute of European Environmental Policy London,
trading as the Institute of European Environmental Policy UK (IEEP UK)
For the year ended 30 June 2025

Trustees	Malini Mehra, Chair David Stanners Herman Wolters (resigned December 2025) Anne Brosnan (resigned 8 September 2024) Simon Kearey (appointed 17 October 2024) Nicolas Molho (appointed 4 December 2024) Viviane Gravey (appointed 21 January 2025)
Company Registration Number	02458951
Charity Registration Number	802956
Registered Office	85 Great Portland Street First Floor London W1W 7LT
Independent Examiners	Price Bailey LLP Chartered Accountants 24 Old Bond Street London W1S 4AP
Bankers	National Westminster Bank Birmingham B1 2HS



CONTENTS

REFERENCE & ADMINISTRATIVE DETAILS	2
CHAIR'S STATEMENT	4
TRUSTEES' REPORT	7
OBJECTIVES & ACTIVITIES	8
ACHIEVEMENTS AND PERFORMANCE	9
COMMUNICATIONS & ENGAGEMENT	14
PUBLICATIONS	15
SOME OF IEEP UK'S PRESS COVERAGE IN 2024/25	16
FINANCIAL REVIEW	19
STRUCTURE, GOVERNANCE & MANAGEMENT	21
INDEPENDENT EXAMINER	24
INDEPENDENT EXAMINER'S REPORT	25
STATEMENT OF FINANCIAL ACTIVITIES	26
BALANCE SHEET	27
NOTES TO THE FINANCIAL STATEMENTS	28

Images

Cover: Kristina An
IEEP staff & events: Jonathan Goldberg.
Others: p6 Juliane Liebermann; p7 Sandy Miller;
p8 James Armes; p9 Toby Royal; p12 Jonny Gios;
p13 Paul Teysen; p18 Patrick Schatz;
p20 S N Pattenden; p23 Elena Jiang.
Sourced from Unsplash

IEEP UK

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CHAIR'S STATEMENT



MALINI MEHRA
IEEP UK CHAIR

It is with great pride and optimism that I introduce this year's Annual Report from IEEP UK. The past year has been one of change and renewal, and tangible progress in our mission to strengthen environmental policy and cooperation between the UK and Europe. As Chair, I have witnessed firsthand the dedication, expertise, and strategic foresight that our team has brought to bear in navigating a complex and evolving political landscape.

Our Annual Conference in January 2025, *Learning with the rest of Europe to deliver UK environmental ambition*, marked a pivotal moment. With contributions from Minister Mary Creagh MP, Claudia Fusco of the European Commission's DG Environment, and Leena Ylä-Mononen, Executive Director of the European Environment Agency (EEA), the event was not only a showcase of thought leadership but also a historic occasion. It was the first public statement by a Minister

from the new UK Government on Europe and the environment – a milestone that Defra officials themselves acknowledged as a turning point in rebuilding UK-EU environmental relations.

This spirit of renewal was further solidified on 19 May 2025 with the UK-EU Reset—a landmark development that has reshaped the trajectory of environmental cooperation. For IEEP UK, this reset was not merely a diplomatic breakthrough; it was a validation of years of rigorous policy work, strategic engagement, and coalition-building. Our recommendations, rooted in our May 2024 paper *A Fresh Direction* and earlier work, were reflected in the key outcomes of the reset, including proposals to link the UK with the EU Emissions Trading Scheme and align pesticide standards through a veterinary agreement. The potential for UK access to EU agencies such as the EEA and ECHA in some limited avenues is something we can build on as we seek closer cooperation, as was reflected in our

Spring parliamentary reception, hosted by Pippa Heylings MP in the week of the Reset.

Throughout the year, IEEP UK has deepened its partnerships with key organisations and diplomatic missions, including the EU delegation to the UK and the UK Mission to the EU. Our work with the European Environment Bureau and the European Movement has helped refine policy recommendations and foster a shared vision for environmental progress.

A cornerstone of our work has been the development of the *Divergence in Environmental Policy: State of Play* report, due for release in August 2025. This comprehensive analysis will be accompanied by a new web-based platform, making our insights more accessible and actionable than ever before.

Our thematic policy work has been equally impactful. In farming and land use, we've supported the Welsh Government in designing its Sustainable Land Management scheme, and contributed to England's emerging Land Use Framework. Our evidence to the House of Lords inquiry into nitrogen loss and our collaboration with the Office for Environmental Protection on nutrient management legislation have helped bridge policy gaps across the UK and Ireland. In food policy, our March webinar on national food strategies was our most attended online event to date, reflecting growing public and policy interest in sustainable food systems. Our contributions to the European-wide report coordinated by Agora Agriculture and IDDRI further cemented our role as a key player in transnational policy dialogue.

On circular economy, our joint report with the Aldersgate Group and engagement with the Government's Circular Economy Taskforce have laid the groundwork for a new strategy in 2026. In chemicals policy, the leadership of our Honorary Fellow and Founder Nigel Haigh OBE has been instrumental, with his publications shaping

parliamentary and regulatory discourse. Our work on air quality, in partnership with Impact on Urban Health, is helping to inform the next Clean Air Strategy for England. Meanwhile, our briefings on the Product Regulations and Metrology Act have influenced parliamentary debate, with recognition from figures such as Baroness Bennett of Manor Castle.

As we look ahead, IEEP UK remains committed to evidence-based policy, inclusive dialogue, and international cooperation. 2026 will mark the 50th anniversary of IEEP, and we plan to draw more on good practice from across Europe and to do so together with our sister organisation in Brussels and the Think Sustainable Europe network which draws the best knowledge from environmental think tanks working in other nations across the continent. The challenges we face – from climate change to biodiversity loss – demand nothing less than bold, united action. I am deeply grateful to our team, our partners, and our supporters for their unwavering commitment to this cause. Together, we are not only rebuilding bridges—we are laying the foundations for a greener, fairer future.

Malini Mehra
Chair, IEEP UK

Date: 04/02/2026



**IT'S AN HONOUR TO HAVE AN
OPPORTUNITY TO SPEAK TO
YOU AT THE IEEP UK ANNUAL
CONFERENCE ABOUT THE
GOVERNMENT'S PRIORITIES FOR
THE ENVIRONMENT**

MARY CREAGH MP, MINISTER
FOR NATURE, DEFRA



TRUSTEES' REPORT



The Trustees present their Annual Report together with the financial statements of the Institute for European Environmental Policy, London for the 1 July 2024 to 30 June 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Institute for European Environmental Policy, London (trading as IEEP UK) is a registered charity and not-for-profit company limited by guarantee and, as such, is governed by its Memorandum of Association and Articles of Association. This report of activities is presented by the Directors, who are also the charity Trustees, together with an independent examination of their financial statements for the year ended 30 June 2025.

The following report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102.

Approved by order of the members of the board of Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Malini Mehra', positioned above the name and title.

Malini Mehra (Mar 9, 2026, 5:35pm)

Malini Mehra

Chair

Date: 24/02/2026

A handwritten signature in black ink, appearing to read 'Simon Kearey', positioned above the name and title.

Simon Kearey (Mar 6, 2026, 8:46pm)

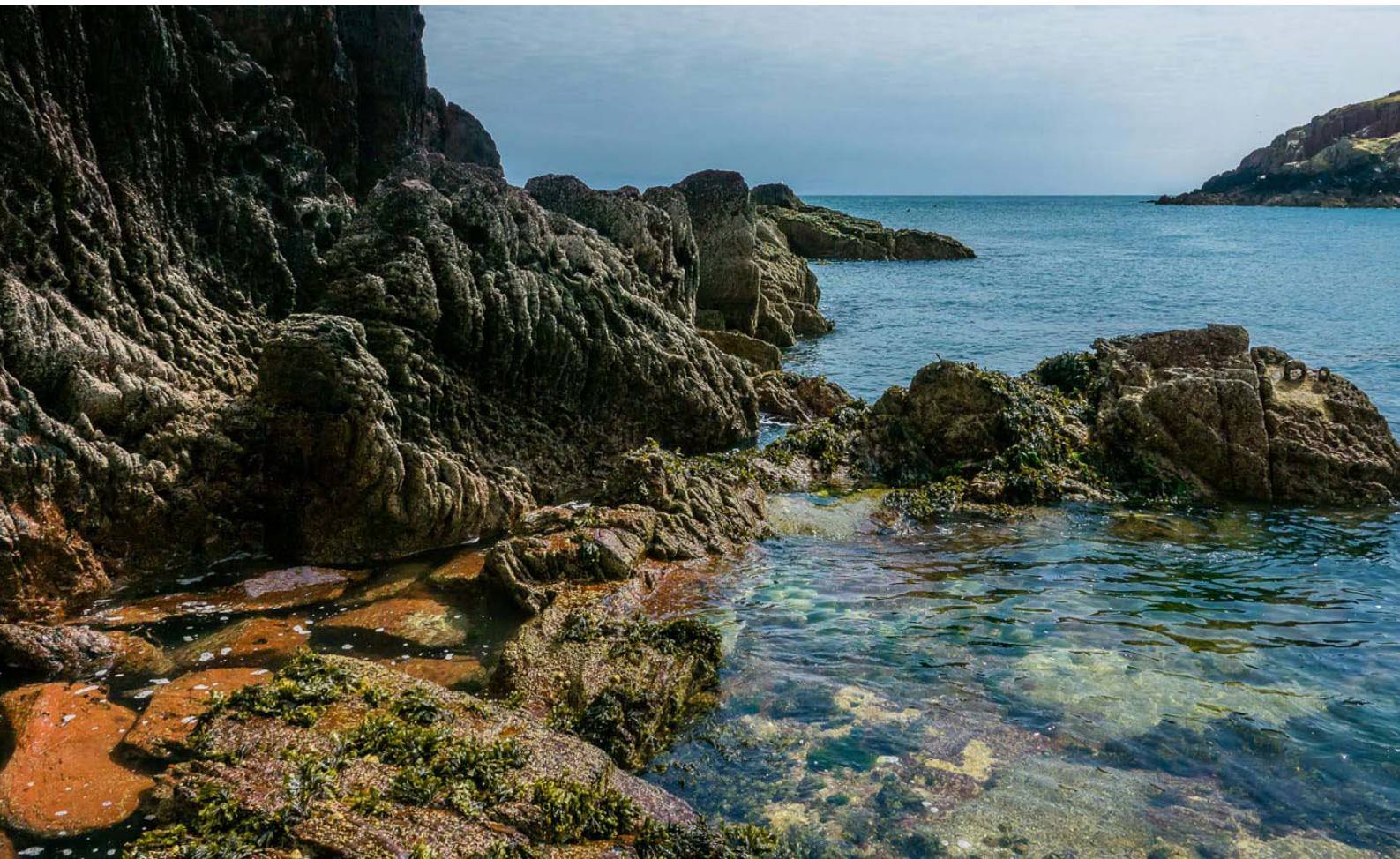
Simon Kearey

Trustee

(Honorary Treasurer, appointed October 2024)

24/02/2026





Objectives & activities

a. Objectives of IEEP UK

As a sustainability think tank with over 45 years' experience IEEP UK is committed to assessing, informing and shaping long-term and effective environmental policies at a UK and European level through evidence-based research, analysis and policy insights. Functioning independently in the UK from 2022, we continue to operate as part of the broader IEEP family, ensuring the UK benefits from intelligence, research and experience from other countries to develop the most effective policy options.

IEEP UK's current strategic ambition is that by 2028 the UK and its four constituent nations and administrations will have strong, long-term, coherent and effective environmental and climate policies that are fit for purpose to address current and future anticipated challenges and are well implemented and enforced.

To achieve this ambition, we work as part of the UK's environmental community, providing independent analysis, evidence and policy insights as well as convening and brokering discussions between different actors to shape the development and implementation of this new generation of policies and the governance alongside them in the various parts of the UK, informed by good practice from across Europe.

Achievements and performance

a. Review of IEEP UK's activities and achievements in 2024/25

Timeline of our work - reports, webinars and press coverage



The timeline is set against a background image of a rugged coastline with waves crashing against rocks. A central vertical bar marks the years 2024 and 2025. Various text boxes are connected to this bar by lines, detailing specific events and achievements.

Year	Month	Event / Achievement
2024	July	Product Regulation and Metrology Bill tabled allowing UK re-alignment with some EU environmental standards, which IEEP UK has been calling for
	Summer	IEEP UK commences major project for Welsh Government on Sustainable Land Management
	September	IEEP UK speaks at Labour conference event on UK/EU alignment of chemical policy
2025	January	IEEP UK appeared on BBC Food Programme episode on national food strategies
	January	IEEP UK namechecked in House of Lords discussion on Product Regulation and Metrology Bill
	January	Annual Conference includes keynote from Minister Mary Creagh marking first public comment by new Government on UK relations with Europe on environment
	February	IEEP UK presents oral evidence to the House of Lords Environment and Climate Change Committee at the first public session of their nitrogen inquiry
	February	IEEP UK gives oral evidence to a Scottish Parliament Select Committee hearing related to the extent of Scottish policy staying "in step" with EU law
	March	IEEP UK's Food Strategy webinar, chaired by Sheila Dillon, receives over 300 registrations
	March	IEEP UK response to sandeels tribunal ruling receives coverage in Politico, The Guardian, The Financial Times and elsewhere
May	IEEP UK's Spring Parliamentary reception held in week of UK EU Reset	
May	UK-EU reset marks significant progress towards some of IEEP UK's recommendations, including alignment on Emissions Trading Schemes and pesticides policy, and allowing for working relationship with European agencies on limited matters	
June	Two trustees make ENDS top 100 power list of environmental professionals	





Encouraging UK Engagement and Cooperation with EU and rest of Europe on the environment

Our Annual Conference in January 2025, *Learning with the rest of Europe to deliver UK environmental ambition*, featured Minister Mary Creagh MP, Claudia Fusco a Director from the European Commission's DG Env, and Leena Ylä-Mononen, Executive Director of the EEA amongst other speakers. This was the first public statement that a Minister from the new UK Government had made about Europe and the environment, and according to Defra officials this marked a milestone in rebuilding relations between the UK Government and European Commission on environmental policy cooperation.

The UK EU reset on 19 May 2025 marked a huge step forward not only for the UK's relationship with the EU and for environmental policy, but also for IEEP UK's work. Progress has been made on a number of the recommendations presented in our overarching briefing ahead of the reset building on IEEP UK's May 2024 paper *A Fresh Direction* and earlier work. Most notable are the recommendations to link UK with the EU Emissions Trading Scheme, and through a veterinary agreement to align on pesticides standards. The detail of the reset announcement also suggests the UK having access to EU agencies, systems and data relating to this veterinary agreement, which would include the European Environment Agency (EEA), European Chemicals Agency (ECHA) and European Food Safety Authority (EFSA). Rebuilding the UK's relationship with the former two being another longstanding recommendation of IEEP UK, and we worked with Stanley Johnson and Conservative Peer Baroness Hooper to put in a Parliamentary Question on the Government's appetite to rejoin the EEA in Spring 2025.

We also hosted our annual Spring parliamentary reception in the House of Commons in the week of the Reset. Hosted by Pippa Heylings MP, Liberal Democrat Spokesperson for Energy

Security and Net Zero, we also had speeches from Dame Glenys Stacey, outgoing Chair of the OEP; as well as IEEP UK chair, Malini Mehra, and Executive Director, Ben Reynolds.

We have worked with many organisations to encourage closer cooperation between the UK, EU and rest of Europe – forging stronger relationships with the diplomatic staff at the embassies, including the EU delegation to the UK and the UK Mission to the EU, and working with the likes of the European Environment Bureau (EEB) and European Movement to help inform their work, refining their policy recommendations.

Tracking UK EU legislation and divergence

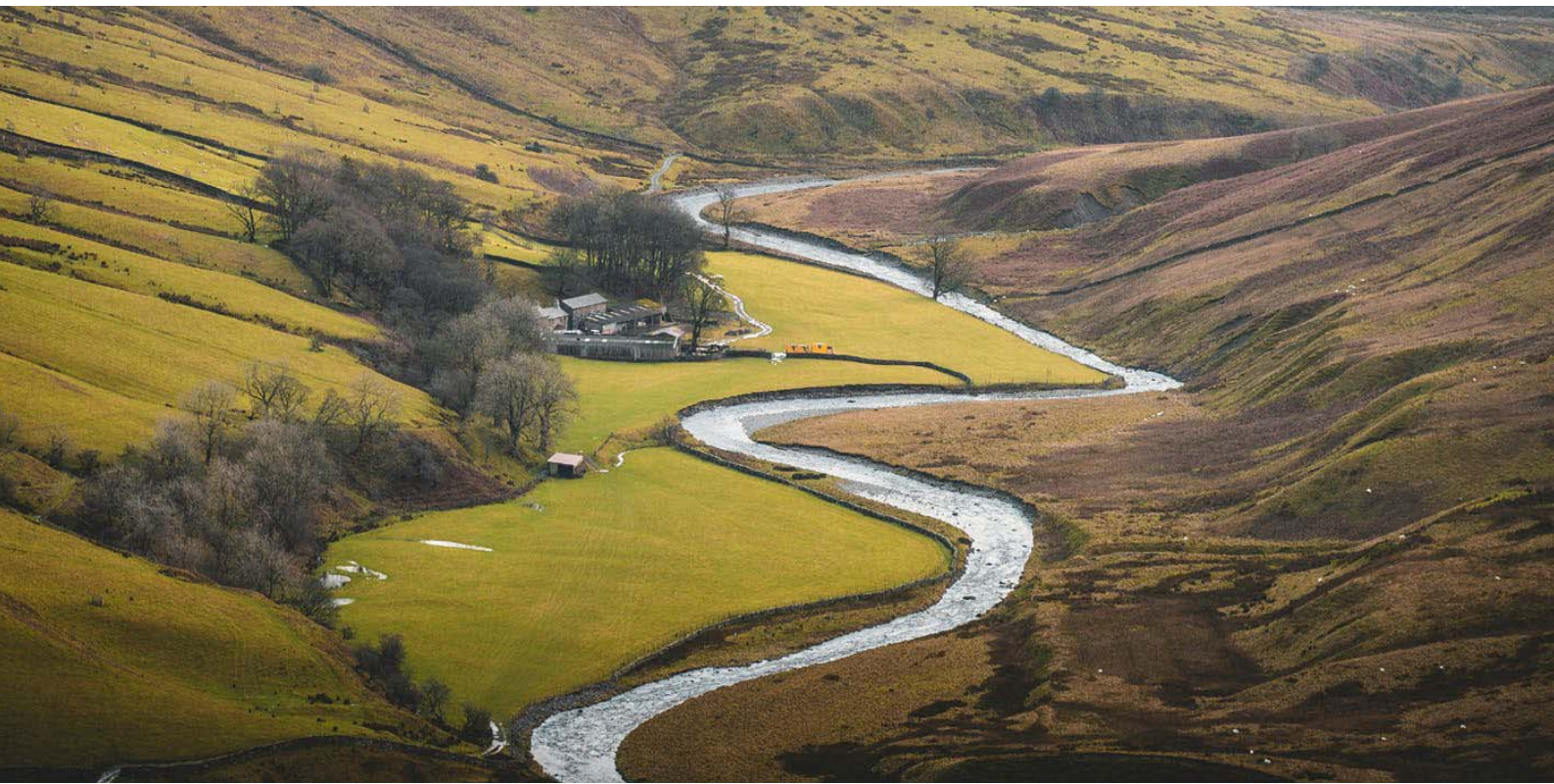
A significant amount of effort has been spent at the tail end of this year on preparing this year's divergence in environmental policy state of play report, due for release in summer 2025. This will build on the previous year's report by including a more accessible and user-friendly web-based platform to sit alongside the more traditional written report. Essentially, this is ten thematic reports in one (covering air, water, circular economy, pesticides, chemicals, etc) outlining divergence in post-Brexit EU-UK policy and its significance, and draws on our ongoing updates to our environmental legislative tracker.

This also builds on much work throughout the year engaging on specific policy areas, including: an event at the Labour Party Conference on chemicals policy, with Toby Perkins MP (chair of the Environment Audit Committee) and Stella Creasey MP; Our series on online 'divergence hub' meetings looking at topics including circular economy policy, sandeels, chemicals, pesticides, and the Planning and Infrastructure Bill impact on nature. We also published a report examining EU/UK divergence on environmental crime, launched alongside a webinar featuring Prof Richard Macrory, Anne Brosnan (Environment Agency), Phoebe Clay (Unchecked UK), Rob de Rijk (European Network of Prosecutors of the Environment), and IEEP UK's head of environmental policy, Michael Nicholson.

Environmental Governance

We have continued to monitor and engage in the development of environmental governance across the UK. This has involved participating in the key stakeholder and monitoring groups on environmental law and regulation run by the Office for Environmental Protection, Environmental Standards Scotland and Defra, as well as chairing the environmental governance group of NGOs (which succeeded Greener UK).

We have run projects for Welsh Government and the Office for Environmental Protection, the latter being a pilot study to monitor the implementation of environmental law. IEEP UK has engaged in over 12 consultation processes this year, including the Corry Review on the environmental regulatory landscape; the Cunliffe Commission on the water sector; the UK Government's Trade Strategy, Autumn Budget, Land Use Framework for England, Environmental Permitting Regulations; and UK and Scottish Parliamentary Committee inquiries on nitrogen loss, PFAS pollution, EU alignment, and the UK-EU reset.



Thematic policy work

Farming, Land Use and Water – We commenced a major project for Welsh Government informing the development of their new Sustainable Land Management scheme – designing a theory of change, and coordinating stakeholder engagement to design a list of indicators and targets for the new scheme. This is due to be presented within Welsh Government by end of 2025.

We have also fed into the Government plans for a new Land Use Framework for England, highlighting the more comprehensive approach being taken by Denmark. And we have documented some lessons from the English experience on developing a new farm policy in a report for the European Commission in relation to the new CAP under development.

Building on a policy gap analysis produced for the Sustainable Nitrogen Alliance in Autumn 2024, we fed into the House of Lords inquiry into Nitrogen Loss in 2025, giving oral evidence at the first hearing of the inquiry. On a related note, we worked on a contract for the Office for Environmental Protection looking at divergence in nutrient management legislation between Northern Ireland, Republic of Ireland/EU and England, together with Miller Research and Environmental Justice Network Ireland (EJNI), covering topics including Waste Water and Soil Health.

Our work on Wastewater Regulations and implementation – particularly on divergence between UK and EU – continues to garner interest – including from the EFRA committee. Our input into the Cunliffe review of the water sector, drew on years of IEEP's experience on developing European policy in this space, not least from Honorary Fellow, Andrew Farmer.

Food – In March, we hosted a webinar on national food strategies in the UK and Europe, to tie in with the launch of the Government's engagement to develop an English food strategy. This was

our best attended online event ever – with over 300 signups and 186 showing up on the day. It was chaired by the BBC Food Programme's Sheila Dillon, and included contributions from IEEP UK Executive Director, Ben Reynolds, Rachel Fisher (leading Defra's Food Strategy), and experts from across Europe, including Agora Agriculture and IDDRI who coordinated a Europe-wide report on national food strategies that IEEP UK contributed to. This built on an episode of the BBC Food Programme on this topic in January 2025, to which Ben Reynolds contributed.

Circular Economy – This year saw us prepare a report on divergence in UK-EU circular economy policy post Brexit in conjunction with the Aldersgate Group ahead of a summer 2025 launch. The production of this ran alongside engagement with the Government's Circular Economy Taskforce which will inform a new Circular Economy Growth Plan due out in 2026.

Chemicals – Founder and longstanding honorary fellow of IEEP UK, Nigel Haigh OBE, continued to steer IEEP UK's engagement and position on chemicals, producing *A Crossroads for Chemicals* (August 2024) and *Chemicals Policy and the UK-EU Reset* (May 2025), and informing our engagement with the Environment Audit Committee's inquiry into PFAS pollution. Nigel has also been active in informing the Office for Environmental Protection's position on chemicals policy. We also partnered with Chemtrust on a Labour Party conference event and briefing paper.

Air Quality – We commenced a new project with Impact on Urban Health to look in detail at divergence between UK and EU air quality standards. A view is forming that a new Clean Air Strategy for England in late 2026 will emerge and our work is aiming at influencing the content of such a strategy.

Product Standards – The Government introduced the Product Regulations and Metrology Bill (now passed as an act in July 2025), which allows the Government to align with the EU on certain environmental product standards. Our briefings on this were picked up by Parliamentarians, including being name-checked in a House of Lords debate by Baroness Bennett of Manor Castle.



Communications & engagement



100%

growth in newsletter subscribers



26

media articles quoting IEEP UK



100%

growth in LinkedIn followers



37,034

Number of website page views up 106%



over

400

attendees at IEEP UK events



450+

Number of publication downloads



5

staff at end of reporting year

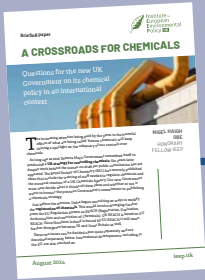


Work for Governments or arms length bodies in all

4

UK nations

Publications



August 2024

A Crossroads for Chemicals
 Questions for the new UK Government on its chemical policy in an international context



September 2024

Products & Metrology Bill
 A briefing for Parliamentarians



October 2024

An evaluation of the ability of existing policies to achieve nitrogen-reductions within national strategy targets and international commitments



October 2024

Diverging wastewater policy
 The implications of changes to EU policy for the UK



January 2025

Agri-Environmental Policies in England after Brexit



December 2024

The new EU Environmental Crime Directive
 A diverging approach with the UK?



April 2025

Products & Metrology Bill
 Questions for the new UK Government on its chemical policy in an international context



May 2025

Chemicals Policy and the UK-EU Reset



May 2025

The UK and EU: Recommendations for an Environmental Reset



May 2025

Towards national food policies in the EU by Agora Agriculture and IDDRI
 Contributions from IEEP UK

IEEP UK's work is widely referenced including in work this year by the National Audit Office (NAO) and Parliamentary Office for Science and Technology (POST)

Some of IEEP UK's press coverage in 2024/25

 EURACTIV

Starmmer vows to champion farming, but uncertainty remains over UK agricultural plans

 POLITICO

Brexit Britain to remain safe haven for sand eels



 THE **i** PAPER

Our beaches are full of sewage, rubbish and sanitary products - Brexit is to blame

 The Grocer

Food Strategy board: who's on it and what will they do?

 ENDS REPORT

DEFRA developing a "clean air strategy" as EU signs off tougher regulations

 DW



End of coal power generation in the UK

UK partially broke rules by closing waters to EU sand eel fishing, says tribunal

 FT FINANCIAL TIMES

 8 point 9

Agri policy in England: how has it fared since Brexit?

UK Government seeks new agri-food deal with EU to ease trade barriers

 food ingredients 1st

 ENDS REPORT

From dirty man to flirty man: What might Labour's 'closer EU alignment' on chemicals look like?

England said "goodbye" to coal-fired electricity: After 142 years, Thomas Edison's power plant was shut down

 BALKANS



Broken Policies

 ENDS REPORT

'We've made a bold start': 5 takeaways from IEEP UK's annual conference

 The Guardian

UK sand eel fishing ban remains in place despite EU legal challenge

b. Objectives and plans for future periods

IEEP UK will continue in its aim to deliver its 2023-27 vision and strategy. At the core of this work will remain the tracking of environmental legislation across (and analysis of divergence between) EU, UK and the four nations, and making the case for the potential benefits of alignment where it would lead to higher standards. The UK Government desire for economic growth provides opportunities for alignment with legislation on circular economy, product standards, chemicals and deforestation that would remove trade barriers and increase environmental standards. There are also other areas where we would like to see greater ambition from the UK to 'catch up' and ideally overtake the EU, most notably around air, water quality, industrial emissions and nature restoration policy.

We will continue to draw on the best policy ideas from around Europe (including the EU, members states and across the four nations), and help facilitate the uptake of best practice back and forth on these themes whether in specific areas such as farming policy, or cross-cutting collaboration, by encouraging greater UK cooperation with bodies such as the European Environment Agency and Eionet. Another main strand of work is to ensure that the governance structures in the UK and across the devolved nations are fit for purpose.

Cooperation is key to the success of all our aims, and a main aim for the coming year is to expand our partnership working and collaborative approach with civil society, business, academics, policy makers and politicians, not least with our Brussels colleagues in our sister organisation IEEP in Brussels, and other European partners. And this will be at the heart of our celebrations in 2026 of 50 years of IEEP, looking back on our biggest achievements to inform and inspire the next decade ahead.

Underpinned by the multi-year core funding secured from Esmee Fairbairn, Waterloo Foundation, other foundations, contracts and our reserves, we aim to grow and diversify our funding in order to increase our impact and resilience, by increasing the breadth of specialisms in policy and operations in the team.

Trustees would like to thank all staff, volunteers, associates, and other partners who have contributed to our work this year: Michael Nicholson, David Baldock, Ben Reynolds, Holly Tomlinson, Louise Rose, Ed Worsdell, Emma Watkins, Hannah Orme, Kaley Hart, Nigel Haigh OBE, Andrew Farmer, Clunie Keenleyside, Graham Tucker, Justin Merritt, and staff at IEEP (Aisbl), Miller Associates, Alchemiser and Aether Ltd.

c. Public benefit

The Trustees confirm that they have complied with section 17 (5) of the Charities Act 2011 and have had due regard to the Charity Commission general guidance on public benefit. IEEP UK believes that its independent work helps to inform those developing and implementing UK (and European) policy in such a way that the results are to the benefit of the public as a whole as well as the environment. All IEEP UK's reports are freely available on our website, and we endeavour to promote these widely.



**MUCH IS BEING SAID ABOUT
THE NEW RESET DEAL, AND I
KNOW THAT YOU AT THE IEEP
WILL BE KEEPING A CLOSE EYE
ON HOW THINGS PLAY OUT, AND
OFFERING EXPERT ANALYSIS
AND COMMENTARY**

DAME GLENYS STACEY,
ADDRESSING THE IEEP UK
PARLIAMENTARY RECEPTION

Financial review

a. Financial review

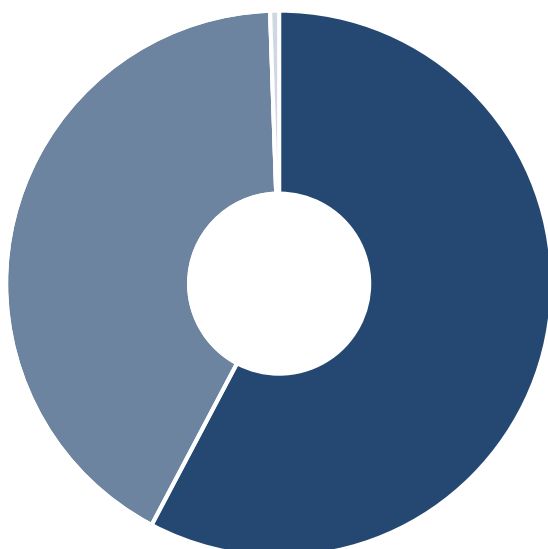
IEEP UK's funds have been applied in furtherance of its Objectives, as detailed above.

Total gross income in the year to 30 June 2025 was £309,698 (2024: £45,407). This is made up of income from projects of £179,694 (2024: £30,586), along with grants and donations income of £128,194 (2024: £10,000) and investment and miscellaneous income of £1,810 (2024: £4,821).

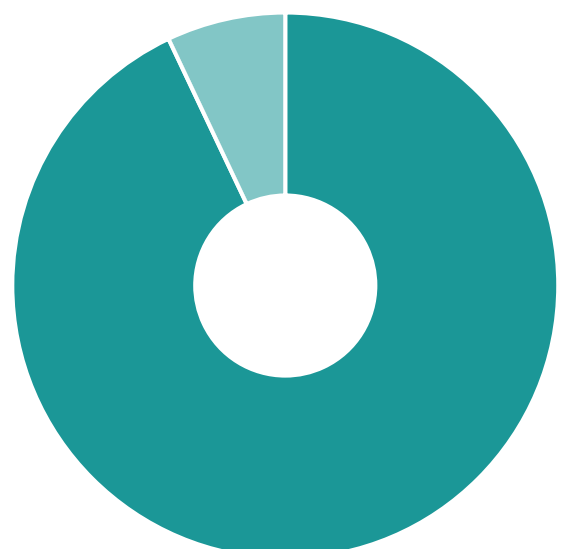
The net movement in funds for the period, after taking in gains and losses on foreign exchange, was a net gain of £24,664 (2024: net loss £214,949).

At 30 June 2025, total funds stood at £177,606 restricted funds were £14,256 (2024: £nil) and unrestricted funds were £163,350 (2024: £152,942), this is within the amount required under the reserves policy below and will be kept under review.

Income



Expenditure



The Trustees are of the opinion that the assets of the charity at the accounting date are available and adequate, within the normal commercial meaning attributed to those words, to fulfil the obligations of the charity.

b. Reserves policy

The Trustees consider that it is appropriate for IEEP UK to hold reserves to fund work in progress and as a guard against the risk of an uneven flow of income. The need to fund work in progress is particularly important as IEEP UK is subject to fluctuations in cash flow arising from the payment arrangements under agreements and contracts with different sponsors. To that end, the Trustees believe the reserves of IEEP UK must be maintained at a level to cover at least 3-6 months of expenditure. Whilst the Trustees acknowledge that the level of reserves is currently higher than the 3-6 month target, these are being actively reduced as we use these to co-fund our ongoing work while seeking new sources of income.

c. Risk management

A risk assessment and management exercise encompassing the strategic direction, operations, finances and staffing of IEEP UK has been carried out and reviewed by the Trustees. They are satisfied that the major risks to which the charity is exposed have been identified and reviewed and that systems are in place to mitigate IEEP UK's exposure to the major risks it faces. The Trustees review risks quarterly as part of an ongoing process.



Structure, governance & management

a. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

b. Organisational structure and decision-making policies

The Institute for European Environmental Policy, London (“IEEP London”) is a Company Limited by Guarantee and not having a share capital, and a registered charity. The charity’s registered office is in London, and it trades under the name IEEP UK.

In accordance with the Articles of Association and provisions of the Companies Act 2006, Trustees/Directors are appointed by applying in writing to become members of the company, and are proposed for election, by the members, as a Director and a member either by ordinary resolution at a general meeting or by written resolution and appointed, if the resolution is agreed by a simple majority of those eligible to vote. Board Directors automatically become the charity’s Trustees on appointment. Trustees/Directors serve for a term of three years, renewable for two additional terms with a maximum of three consecutive terms, i.e. nine years in total.

There are currently six Trustees that maintain responsibility for the charity’s strategy, financial, governance and risk management that meet at least four times per year. The Chair of the IEEP UK Board is also a member of the IEEP AISBL Board and vice versa. The Board are actively looking to increase the number of Trustees for IEEP UK over the coming year.

The IEEP UK Trustees appoint the Executive Director of IEEP UK and delegate to them responsibility for selecting other staff and for the day-to-day management of the charity. The Trustees also appoint the Company Secretary, a role currently performed by the Executive Director.

Trustees are recruited as individuals who bring relevant skills and experience to the Board. Recruitment takes place via contacts in organisations that have environmental interests and expertise or more widely when a particular type of more general management experience is sought.

Induction of Trustees includes being provided with relevant information about the charity and briefings from the Chair of Trustees, the Executive Director of IEEP UK and meetings with staff and other Trustees as appropriate. Trustee training is made available to those new to trusteeship and where new issues arise.

c. Internal review of policies

IEEP UK has set up a new process to review its internal policies more regularly and ensure it is embedding the best practice for the charity sector in its operations. This has identified a number of key policy areas that the organisation will develop and adopt over the coming year with the support of trustees, and through review of progress at the quarterly board meetings.

d. Key management and setting their remuneration

The key oversight and scrutiny functions for IEEP UK are carried out by the Charity's Trustees, who are not remunerated.

e. Relationships with others

In the year, IEEP UK had one significant associate institution, which was IEEP AISBL.

Since the reorganisation of IEEP in 2022, following the exit of the UK from the EU, IEEP UK has had a significant association with IEEP Aisbl with which it works together very closely. In light of the shared objectives of IEEP UK and IEEP Aisbl, the Boards of the two entities agreed to the principle that the two institutions should be operated separately, but there would be full cooperation between them. To this end a Cooperation Agreement was put in place between the two bodies which entered into force on 1 July 2022 for a three-year period. Having worked well, this is now being reviewed by both entities towards an updated agreement commencing in the second half of 2025. Throughout the reporting year, IEEP UK has continued to enjoy strong links and cooperation with IEEP Aisbl.

Much of IEEP UK's work is sponsored by other charities and organisations, and the Trustees are extremely grateful to the following funders and clients for their support including: the Land Use Policy Group, the Sustainable Nitrogen Alliance (via the Soil Association) and UK CEH, the Office for Environmental Protection, EU Delegation to the UK, Esmee Fairbairn Foundation, Impact on Urban Health and Waterloo Foundation.

f. Fundraising

The charity does not carry out any public fundraising.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Malini Mehra (Mar 9, 2026, 5:35pm)

Malini Mehra

Chair

Date: 24/02/2026



Simon Kearey (Mar 6, 2026, 8:46pm)

Simon Kearey

Trustee

(Honorary Treasurer, appointed October 2024)

24/02/2026



6699

SINCE BREXIT, EUROPE HAS DEMONSTRABLY CONTINUED TO ADVANCE IN HEALTH, WELLBEING AND THE SAFETY OF ITS PRODUCTS – EVEN IF, AS THE EUROPEAN GREEN PARTIES REGULARLY POINT OUT, STILL FAR TOO SLOWLY – WHILE THE UK HAS BEEN SLIDING FURTHER AND FURTHER BEHIND. I WANT TO PARTICULARLY NOTE THREE BRIEFINGS THAT I RECEIVED BEFORE THIS DEBATE FROM THE GREEN ALLIANCE, FRIENDS OF THE EARTH AND THE INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY (UK).
BARONESS BENNET OF MANOR CASTLE, SPEAKING IN HOUSE OF LORDS DEBATE ON THE PRODUCT REGULATION AND METROLOGY BILL



INDEPENDENT EXAMINER



Price Bailey LLP was appointed as Independent Examiner. As independent examiner, Price Bailey LLP will automatically be deemed to be re-appointed under the provisions of the Companies Act 2006 until further notice.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Malini Mehra (Mar 9, 2026, 5:35pm)

Malini Mehra

Chair

Simon Kearey (Mar 6, 2026, 8:46pm)

Simon Kearey

Trustee

(Honorary Treasurer, appointed October 2024)

Date: 24/02/2026

24/02/2026



INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the Trustees of Institute for European Environmental Policy, London ('the Charity')

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 30 June 2025.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Price Bailey LLP have provided book-keeping services to the Charity. I have applied the FRC's Revised Ethical Standard.

Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

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.

Signed: 

Dated: 13 March 2026

Suzanne Goldsmith FCA
Price Bailey LLP
Chartered Accountants
24 Old Bond Street
London,
W1S 4AP



STATEMENT OF FINANCIAL ACTIVITIES

Incorporating an income and expenditure account

For the year ended 30 June 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Grants and Donations	4	90,000	38,194	128,194	10,000
Charitable activities	5	179,694	-	179,694	30,586
Investments	6	1,633	-	1,633	4,411
Other income	7	177	-	177	410
Total income		271,504	38,194	309,698	45,407
Expenditure on:					
Charitable activities	8	261,019	23,938	284,957	259,555
Total expenditure		261,019	23,938	284,957	259,555
Net movement in funds before other recognised gains/(losses)		10,485	14,256	24,741	(214,148)
Other recognised gains/ (losses):					
Other (losses)		(77)	-	(77)	(801)
Income/ (expenditure) in the year being net movement in funds		10,408	14,256	24,664	(214,949)
Reconciliation of funds:					
Total funds brought forward		152,942	-	152,942	367,891
Net movement in funds		10,408	14,256	24,664	(214,949)
Total funds carried forward		163,350	14,256	177,606	152,942

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 35 form part of these financial statements.

BALANCE SHEET



As at 30 June 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	2,016	1,657
Current assets			
Debtors	13	52,871	13,622
Cash at bank and in hand		136,404	160,190
		189,275	173,812
Creditors: amounts falling due within one year	14	(13,685)	(22,527)
Net current assets		175,590	151,285
Total net assets		177,606	152,942
Charity funds			
Unrestricted funds	15	163,350	152,942
Restricted funds	15	14,256	-
Total funds		177,606	152,942

The financial statements have been prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records with section 476 of the Act.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Malini Mehra (Mar 9, 2026, 5:35pm)

Malini Mehra
Chair

Date: 24/02/2026

Simon Kearey (Mar 6, 2026, 8:46pm)

Simon Kearey
Trustee

(Honorary Treasurer, appointed October 2024)

24/02/2026

The notes on pages 28 to 35 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. General information

Institute for European Environmental Policy, London is a company limited by guarantee, governed by its Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the company, if it is wound up, a sum not exceeding £1. As at 30 June 2025 the company had 6 members (2024: 6). The company is a registered charity (charity number 802956). The registered number is 02458951 and the registered office is 85 Great Portland Street, First Floor, London, W1W 7LT.

2. Accounting policies

2.1 *Basis of preparation of financial statements*

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Institute for European Environmental Policy, London meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Charity and rounded to the nearest £1.

2.2 *Going concern*

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these Financial Statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these Financial Statements.

The trustees of the charity have concluded that there is no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed in note 3.

The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.3 *Income*

Income is recognised when the Institute becomes entitled to the income, it is probable the amounts will be received, and the amount can be measured with reasonable certainty.

Grant income is recognised in full when the Institute becomes entitled to the income unless it either relates to a grant for a specific future period or is a performance related grant.

Income receivable under performance related grants and contracts for services provided are recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred.

Grants are considered to be restricted where the donor attaches conditions to the use of funds and where the outcome will remain in the public domain. Research project income is where the funder is the principal recipient of the project findings and income is considered to be part of the core activities.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

2.4 *Expenditure*

All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All support costs, including governance costs, have been allocated to expenditure on charitable activities, which otherwise comprises expenditure on the charity's primary charitable purposes as described in the trustee's report.

2.5 *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Incorporating Income and Expenditure Account.

2.7 *Taxation*

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 *Tangible fixed assets and depreciation*

Tangible fixed assets costing more than £100 are capitalised at cost. All fixed assets relate to computer equipment. Depreciation is provided on a basis which will write off the cost of fixed assets over their estimated useful lives by equal annual instalments. The estimated life of the fixed assets is four years.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

<i>Computer equipment</i>	<i>-25%</i>	<i>straight line</i>
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2.9 *Debtors*

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 *Cash at bank and in hand*

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

2.11 *Liabilities and provisions*

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 *Financial instruments*

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value as at the balance sheet date. Fixed assets are measured at cost less current depreciation, all other financial instruments are measured at cost, which is their fair value. Financial assets include the bank balances, trade debtors and accrued income, but excludes prepayments. Financial liabilities include trade creditors, other creditors and accruals but excludes deferred income, social security and other taxes due.

2.13 *Pensions*

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.14 *Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

3. Critical accounting estimates and areas of judgment

There are no judgements or critical accounting estimates which have been used in the preparation of these financial statements.

4. Income from grants and donations

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Grants and donations	90,000	38,194	128,194	10,000

All income from grants and donations in 2024 was unrestricted.

5. Income from charitable activities

	2025 £	2024 £
Research projects	179,694	30,586

All income from research projects in 2025 and 2024 was unrestricted.

6. Investment income

	2025	2024
	£	£
Bank interest received	1,633	4,411

All investment income in 2025 and 2024 was unrestricted.

7. Other income

	2025	2024
	£	£
Compensation and royalties received	177	410

All income from compensation and royalties received in 2025 and 2024 unrestricted.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted	Restricted		
	funds	funds	Total	Total
	2025	2025	2025	2024
	£	£	£	£
Direct costs - Research projects	240,963	23,938	264,901	240,272
Direct property costs	-	-	-	2,318
Support costs - IEEP Aisbl recharge	20,056	-	20,056	16,965
	261,019	23,938	284,957	259,555

The IEEP Aisbl recharge comprises recharges of financial, operational, IT and communications support as part of achieving the Institute's charitable activities.

In 2024 all expenditure was unrestricted.

9. Independent examiner's remuneration

	2025	2024
	£	£
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	2,600	2,600
Fees payable to the Charity's independent examiner on respect of assurance services other than independent examination assurance services other than independent examination	5,890	10,120
	<u>5,890</u>	<u>10,120</u>

10. Staff costs

	2025	2024
	£	£
Wages and salaries	185,078	151,313
Social security costs	13,379	7,381
Pension costs	9,447	9,247
	<u>207,904</u>	<u>167,941</u>

The Charity operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £9,447 (2024: £9,247). Contributions totalling £4,643 (2024: Nil) were payable to the fund at the balance sheet date, and are included in other creditors in the accounts.

During the year, redundancy payments were made of £Nil (2024: £949) in regard to one individual.

The average number of persons employed by the Charity during the year was as follows:

	2025	2024
	No.	No.
Employees	<u>5</u>	<u>4</u>

During the year 1 employee received remuneration and benefits between £80,000 - £90,000. In 2024, no employees received remuneration and benefits amounting to £60,000 or over.

Total remuneration for the year (including social security and pension costs) of the key management team comprising the Executive Director and Executive Management Group was £150,835 (2024: £121,386).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024: £Nil).

During the year ended 30 June 2025, expenses totalling £Nil were reimbursed or paid directly to Trustees (2024: £1,190 to 3 Trustees covering travel, accommodation and subsistence).

12. Tangible fixed assets

	Computer equipment £
Cost	
At 1 July 2024	2,459
Additions	1,063
At 30 June 2025	<u>3,522</u>
Depreciation	
At 1 July 2024	802
Charge for the year	704
At 30 June 2025	<u>1,506</u>
Net book value	
At 30 June 2025	<u>2,016</u>
At 30 June 2024	<u>1,657</u>

13. Debtors

	2025 £	2024 £
Trade debtors	45,593	10,554
Prepayments	7,078	3,068
Other debtors	200	-
	<u>52,871</u>	<u>13,622</u>

14. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	4,004	2,548
IEEP Aisbl	1,755	8,254
Other taxation and social security	683	6,325
Other creditors	4,643	-
Accruals	2,600	5,400
	<u>13,685</u>	<u>22,527</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 July 2024	Income	Expenditure	Gains/ (Losses)	Balance at 30 June 2025
	£	£	£	£	£
Unrestricted funds	152,942	271,504	(261,019)	(77)	163,350
Restricted funds	-	38,194	(23,938)	-	14,256
	<u>152,942</u>	<u>309,698</u>	<u>(284,957)</u>	<u>(77)</u>	<u>177,606</u>

	Balance at 1 July 2023	Income	Expenditure	Gains/ (Losses)	Balance at 30 June 2024
	£	£	£	£	£
Unrestricted funds	367,891	45,407	(259,555)	(801)	152,942
	<u>367,891</u>	<u>45,407</u>	<u>(259,555)</u>	<u>(801)</u>	<u>152,942</u>

16. Related party transactions

At the year end £1,755 (2024: £8,254) was due to IEEP Aisbl, an entity whom IEEP UK work in partnership with via a Cooperation Agreement following separation of the UK branch office in Brussels and Herman Wolters and Malini Mehra are common Trustees of.

The Institute for European Environmental Policy UK (IEEP UK) is a sustainability think tank with over 45 years of experience. As part of the broader IEEP family, we are committed to advancing evidence-based research, analysis and policy insights in the UK and its interaction with policy in the EU and globally.

For more information about IEEP UK, visit www.ieep.uk or follow us on Bluesky [@IEEP_uk.bsky.social](https://bsky.app/profile/ieep_uk.bsky.social) and [LinkedIn](#).

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY, LONDON

England & Wales - Charity number 802956

Accounts



Institute for
European
Environmental
Policy UK

ANNUAL REPORT

REVIEW AND ACCOUNTS

for the year ended 30 June 2024



REFERENCE & ADMINISTRATIVE DETAILS

Annual accounts for the Institute of European Environmental Policy London,
trading as the Institute of European Environmental Policy UK (IEEP UK)
For the year ended 30 June 2024

Trustees	Malini Mehra, Chair David Stanners Adam Gillingham (resigned 9 February 2024) Herman Wolters Simon Kearey (appointed 17 October 2024) Anne Brosnan (appointed 20 March 2024, resigned 8 September 2024) Nicolas Molho (appointed 4 December 2024) Viviane Gravey (appointed 21 January 2025)
Company Registration Number	02458951
Charity Registration Number	802956
Registered Office	3rd Floor 24 Old Bond Street London W1S 4AP
Independent Examiners	Price Bailey LLP Chartered Accountants 24 Old Bond Street London W1S 4AP
Bankers	National Westminster Bank Birmingham B1 2HS



CONTENTS

REFERENCE & ADMINISTRATIVE DETAILS	2
CHAIR'S STATEMENT	4
TRUSTEES' REPORT	6
OBJECTIVES & ACTIVITIES	8
ACHIEVEMENTS AND PERFORMANCE	9
FINANCIAL REVIEW	17
STRUCTURE, GOVERNANCE & MANAGEMENT	18
INDEPENDENT EXAMINER	21
INDEPENDENT EXAMINER'S REPORT	22
STATEMENT OF FINANCIAL ACTIVITIES	23
BALANCE SHEET	24
NOTES TO THE FINANCIAL STATEMENTS	25

Images

Cover: Arjun Myanger
IEEP staff & events: Jonathan Goldberg.
Others: p6 Craig Cooper; p7 Aydin Hassan;
p14 Kieran Yates; p16 Mitchell Schleper;
p22 Charlie Jones.
Sourced from Unsplash

IEEP UK

24 Old Bond Street (3rd Floor),
London, W1S 4AP
United Kingdom
Tel: +44 (0) 204 571 1200
www.ieep.uk

CHAIR'S STATEMENT



MALINI MEHRA
IEEP UK CHAIR

As Chair of the Institute for European Environmental Policy, London, trading as IEEP UK, I am pleased to present our Annual Report and financial statements for 2023-24 on behalf of the Board. This year has been one of significant progress for our organisation, marked by notable achievements and national media impact.

In July 2023, IEEP UK adopted our new strategy paper setting out the direction for the organisation for the period 2023-2027, in fulfilment of IEEP's organisational mission: to *"advance the education of the public in the protection of the environment in the continent of Europe and in all forms of national and international policy in relation thereto."* In the words of IEEP founder, Konrad von Moltke, our role remains 'to inform and guide' policy makers and others based on independent, evidence-based, high-quality research and analysis.

IEEP UK's new strategy has taken stock of the new realities once the dust has settled since the UK's departure from the European Union in 2020. It marks the renewal of an environmental organisation that is as old as European environmental policy itself. It has set out a new focus and set of objectives fit for purpose in the new, still evolving, multi-nation UK context.

In rebuilding IEEP's presence and effectiveness in the UK, the Board was pleased to appoint a new Executive Director, Ben Reynolds, in October 2023 to implement our new strategy. Working under the guidance of the Board, Ben and our team have worked diligently over the course of the year to deliver agreed objectives, produce new reports and materials, enter into new partnerships, and help raise the profile and contributions of IEEP UK to environmental policy research and dialogue from an informed UK-European perspective.

IEEP UK set its new ambitious course in October 2023 with a well-attended, high-level Autumn Reception, setting out the organisation's strategy and inviting engagement. It concluded the year under review with a high-profile Spring Reception at the UK Parliament bringing together influential figures from across the political spectrum, underscoring our non-partisan approach to policy dialogue and stakeholder engagement. This year, we have forged new relationships within the UK across the four nations and more effectively leveraged our relationship with our sister organisation in Brussels, IEEP Aisbl, enhancing our ability to educate and inform environmental policy developments by sharing best practice from across the UK and Europe. This has been of particular value in an election year in both the UK and Europe, where our unique research capabilities at both the sub-national level in the UK, and pan-European across the continent, have brought fresh insights.

IEEP UK's activities this year have built on the success of recent years. We have continued to track and analyse divergence between UK and EU environmental legislation, providing critical insights through our monthly Divergence newsletter and various reports. Our work on the Retained EU Law (REUL) Act, where we reviewed and assessed proposed legislation for environmental integrity and effectiveness, has been particularly noteworthy and welcomed by policymakers and legislators alike. Our thematic policy work has covered a broad spectrum, from air quality and nitrogen reduction to land use and agriculture. We have also engaged in significant discussions on the environmental implications of Scottish independence and the potential benefits to the UK of forging a closer relationship with the European Environment Agency (EEA) and Eionet. IEEP UK's hosting of and participation in high-profile meetings and webinars across the year, have helped to elevate the profile of IEEP UK and amplify our impact.

Looking ahead, we will continue to seek to further stabilise the organisation financially, bringing in greater capacity to enable us to implement our strategy for 2023-27 with effectiveness and demonstrable impact. We will continue to track and analyse policy divergence, advocate for higher environmental standards, and promote effective governance structures. Our work will be underpinned by strong partnerships with relevant stakeholders in the UK and across Europe, in tandem with our sister office in Brussels and other partners.

In closing, on behalf of the Board of Trustees, I would like to commend our dedicated staff and associates for their hard work and commitment in a year of tremendous growth and effectiveness. Our thanks also to all our partners and funders who have kept faith with us and enabled us to deliver on our objectives. Together, we will continue to make a difference and help deliver an environmentally ambitious future for the UK and Europe.

Malini Mehra
Chair, IEEP UK

TRUSTEES' REPORT



Cleve Saint Margaret, Shropshire

The Trustees present their Annual Report together with the financial statements of the Institute for European Environmental Policy, London for the 1 July 2023 to 30 June 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Institute for European Environmental Policy, London (trading as IEEP UK) is a registered charity and not-for-profit company limited by guarantee and, as such, is governed by its Memorandum of Association and Articles of Association. This report of activities is presented by the Directors, who are also the charity Trustees, together with an independent examination of their financial statements for the year ending 30 June 2024.



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**THE EVENTS ARRANGED BY THE IEEP,
BRING EXPERTS TOGETHER TO DISCUSS
ENVIRONMENTAL GOVERNANCE MODELS
WITHIN THE UK AND THE IMPACT OF THESE
IS EXTREMELY USEFUL AND INFORMATION
ESPECIALLY AS IN WALES WE ARE STILL
IN THE PROCESS OF FINALISING OUR LONG-
TERM PLANS IN RELATION TO THIS
DR NERYS LLEWELYN JONES - INTERIM
ENVIRONMENTAL PROTECTION ASSESSOR
FOR WALES (IEPAW)**

Little Orme, Llandudno, Wales



OBJECTIVES & ACTIVITIES



IEEP UK
SPRING PARLIAMENTARY RECEPTION 2024

a. Objectives of IEEP UK

As a sustainability think tank with over 40 years' experience IEEP UK is committed to assessing, informing and shaping long-term and effective environmental policies at a UK and European level through evidence-based research, analysis and policy insights. Functioning independently in the UK from 2022, we continue to operate as part of the broader IEEP family, ensuring the UK benefits from intelligence, research and experience from other countries to develop the most effective policy options.

IEEP UK's ambition for the UK is that by 2028 the UK and its four constituent nations will have strong, long-term, coherent and effective environmental and climate policies that are fit for purpose to address current and future anticipated challenges and are well implemented and enforced.

To achieve this ambition, we work as part of the UK's environmental community, providing independent analysis, evidence and policy insights as well as convening and brokering discussions between different actors to shape the development and implementation of this new generation of policies and the governance alongside them in the various parts of the UK.



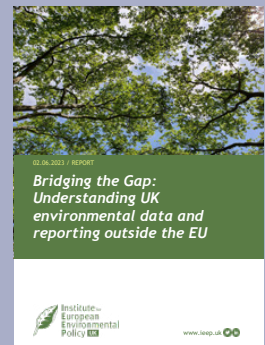
ACHIEVEMENTS AND PERFORMANCE

a. Review of IEEP UK's activities and achievements in 2023/24

Timeline of our work - reports, webinars and press coverage

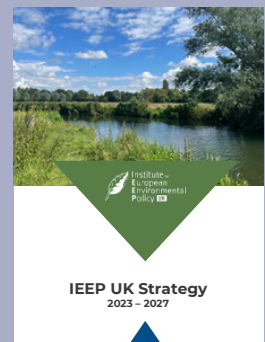
July 2023

- ▶ *Bridging the Gap: Understanding UK environmental data and reporting outside the EU* published



September 2023

- ▶ *IEEP UK 2023-2024 vision and strategy* published



October 2023

- ▶ Appointment of Ben Reynolds as new Executive Director

November 2023

- ▶ Autumn Reception and keynote from Honorary Fellow and IEEP London founder Nigel Haigh

December 2023

- ▶ IEEP report on the environmental policy implications of Scottish independence published
- ▶ IEEP UK chaired meeting with minister leading on Retained EU Law Act (Lord Beyon) on future review of environmental legislation



January 2024

- ▶ *Sewage Discharges: Interaction between UK and EU Law* briefing published
- ▶ Guardian front page based in IEEP UK's research on EU/UK environmental policy divergence



February 2024

- ▶ IEEP divergence research published



March 2024

- ▶ IEEP UK presented divergence work to Director General of the European Commission's DG Environment Florika Fink-Hooijer
- ▶ Air Quality webinar and briefing



May 2024

- ▶ IEEP UK launches briefing on the case for the UK having closer relationship with the European Environment Agency
- ▶ IEEP UK Parliamentary reception and launch of *A Fresh Direction*





BEN REYNOLDS
IEEP UK EXECUTIVE DIRECTOR

Tracking of UK and EU environmental legislation and divergence

One of IEEP's main assets over its 40+ year history has been the production of the *Manual of European Environmental Policy*, which became the authoritative source of information on the topic, until it ceased production in 2012. In 2023, IEEP UK resumed the tracking of EU environmental legislation, including relevant UK legislation since the UK's departure from the EU, and this current year has seen this information updated for the period back to 2012.

The Tracker has underpinned our monitoring of any divergence between UK/EU legislation (and as environment policy is devolved, also any intra-UK divergence), which we have shared through our monthly Divergence newsletter, occasional divergence hub meetings and reports, including a well-attended webinar we organised to launch our overarching report on Divergence. A front-page article (and a double page spread) in the Guardian newspaper in January 2024, along with the later *ENDS UK Green Policy Yearbook 2024*, both on EU/UK divergence, were based to a significant degree on work done by IEEP UK.

Environmental governance

The Retained EU Law (REUL) Act, provided a major focus for our work this year, reviewing and assessing lists of legislation proposed to be revoked, including Statutory Instruments. We co-chaired a meeting between the responsible minister, Lord Benyon, senior officials and our working group in October 2023. Most of the 600 measures removed were genuinely obsolete, unnecessary or not workable under Brexit so we feel that the pressure exerted has been very helpful in containing damaging losses.

In December 2023 IEEP UK, on behalf of RSPB Scotland, WWF Scotland and Scottish Environment LINK produced an assessment of a range of environmental consequences that might be anticipated to flow from a hypothetical referendum vote in favour of Scottish Independence.

Other work this year included sessions (and reports) on behalf of the EU Delegation to the UK, including on 'governance' covering how the system of oversight, complaints and petitions as well as how sanctions of public bodies work in the UK post Brexit, and understanding UK environmental data and reporting outside the EU.

The topic of improved data collection and reporting manifested in one of our key themes for the year: the case for the UK forging a closer relationship with the European Environment Agency and its sister network Eionet. This was one of the headline recommendations of our *A Fresh Direction* report (May 2024), a standalone briefing released the same month, and in the keynote speeches given by our honorary fellow Nigel Haigh OBE, at a London 4 Europe webinar (January 2024), and IEEP UK's Autumn 2023 reception (see below).

Thematic policy work

- ∞ **Air Quality** – we released a briefing on the governance surrounding air quality policy in the UK post Brexit, launched alongside a webinar with speakers on case studies from Europe and the UK.
- ∞ **Nitrogen** – we have worked on an evaluation of the ability of existing UK policies to achieve nitrogen-reductions within national statutory targets and international commitments (to be released in Autumn 2024).
- ∞ **Land Use and Agriculture** – we have continued our (decades long) advice to the Land Use Policy Group – which includes senior civil servants from across the UK and devolved nations.
- ∞ **Sewage** – as part of our divergence work we have monitored the extent and implications of changes to waste water policy in the EU, receiving coverage in the Guardian and ENDS.
- ∞ **Chemicals** – our ongoing work to monitor chemicals policy and governance has received interest from the Office for Environmental Protection, with more work planned later in 2024 on the potential to strengthen standards through alignment with the EU.

Engagement

In addition to meetings with Minister Richard Benyon (December 2023), the European Commission's DG Environment Director General Florika Fink-Hooijer (March 2024), and Paolo Zingale, Sector head for the Americas, UK, Arctic and Horizontal Coordination of the EU Commission's Foreign Policy Instrument service, to discuss our work, we held two high profile receptions.

IEEP UK's Autumn Reception (November 2024) was a standing room only event, with highly influential figures attending who have helped shape environmental policy over the decades through to the present day, including the chair of the Office for Environmental Protection, various civil servants, Parliamentarians, Embassy officials, funders, academics and NGOs. The event was designed to launch IEEP UK publicly and to honour an IEEP UK stalwart, Nigel Haigh OBE, founding director of IEEP's London office and current Honorary Fellow. (Nigel's speech was published on the IEEP website and circulated to all delegates.) The Reception was also intended as the formal launch of IEEP UK's new 2023-2027 strategy, and to introduce the new Executive Director, who gave a few words to outline key parts of the strategy and organisation's vision. MC'd by IEEP UK Chair, Malini Mehra, the Reception also featured a high-profile panel of speakers including Princess Esmeralda of Belgium.

On 7 May 2024, IEEP UK hosted a Spring Reception in the Houses of Parliament, on the theme of *European environmental ambition at a crossroads: What next for the UK and EU?* The event gathered stakeholders from across the environmental spectrum, including policymakers at local and national levels, politicians, journalists, civil society organisations, leading academics, and private sector entrepreneurs. Guests enjoyed speeches from a star-studded panel, chaired by Malini Mehra, IEEP UK chair, including: Barry Gardiner MP (as host), Baroness Barbara Young, Philip Dunne MP (chair of the EAC), Will Hutton, Gina Miller and Karl Mathiesen. The event also acted as the launch for a major new paper *A Fresh Direction*.



IEEP UK
SPRING PARLIAMENTARY RECEPTION 2024



NIGEL HAIGH
IEEP HONORARY FELLOW

Representation

IEEP UK staff continued to have influence via a number of panels and appointments:

- ∞ **Michael Nicholson** appointed as a member of the new advisory panel established by Environmental Standards Scotland to help in Scotland's goal of keeping in step with EU policy.
- ∞ **Nigel Haigh** and **Kaley Hart** appointed to the Office for Environmental Protection (OEP)'s college of experts. IEEP Aisbl colleague **Julia Bognar** has joined the food & trade advisory group of the UK's Climate Change Committee.
- ∞ IEEP UK sits on Defra's Environmental Regulations Stakeholder Forum group covering the potential impact of REUL as well as the NI Protocol and the TCA.
- ∞ IEEP UK sits on OEP's Monitoring of Environmental Law group.
- ∞ **David Baldock** chairs the NGO Environmental Governance Group which has continued to be active after Greener UK stopped being a formal entity at the end of 2023.

b. Objectives and plans for future periods

IEEP UK will continue in its aim to deliver its 2023-27 vision and strategy. At the core of this work will remain the tracking and analysis of divergence between EU, UK and four nation environmental policy, and making the case for the potential benefits of alignment where it would lead to higher standards. This will continue to look across the breadth of environmental policy and build on our areas of strength in recent years, not least on the themes of chemicals, waste and the circular economy, biodiversity, land use, air, water, marine, energy and climate policy. We will continue to draw on the best policy ideas from around Europe (including the EU, members states and across the four nations), and help facilitate the uptake of best practice back and forth on these themes and particularly on food and farming policy. Our other main strand of work is to ensure that the governance structures in the UK and across the devolved nations are fit for purpose. Where this will enhance the standards of governance we will seek to promote greater cooperation of UK entities with European environmental regulators and governance bodies.

Cooperation is key to the success of all our aims, and a main aim for the coming year is to expand our partnership working and collaborative approach with civil society, business, academics, policy makers and politicians, not least with our Aisbl colleagues in our sister organisation IEEP Aisbl, and other European partners. Better engagement and profile will help both with our understanding of good practice, as well as sharing of it.

Underpinned by the multi-year core funding secured from Esmee Fairbairn, Waterloo Foundation, other foundations, contracts and our reserves, we aim to grow and diversify our funding in order to increase our impact and resilience, by increasing the breadth of specialisms in policy and operations in the team.

The Trustees would like to thank all staff, associates, and other partners who have contributed to our work this year: Michael Nicholson, David Baldock, Ben Reynolds, Kaley Hart, Nicolas Woo-Canal, Clare Hamilton, Nigel Haigh OBE, Andrew Farmer, Lloyd Austin, Clunie Keenleyside, Belinda Gordon, Lesley Hynes, Justin Merritt, and staff at IEEP Aisbl, Alchemiser and Aether Ltd.

c. Public benefit

The Trustees confirm that they have complied with section 17 (5) of the Charities Act 2011 and have had due regard to the Charity Commission general guidance on public benefit. IEEP UK believes that its independent work helps to inform those developing and implementing UK (and European) policy in such a way that the results are to the benefit of the public as a whole as well as the environment. All IEEP UK's reports are freely available on our website, and we endeavour to promote these widely.

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ENVIRONMENTAL STANDARDS
SCOTLAND HIGHLY VALUES
IEEP UK'S REPRESENTATION
ON ITS INTERNATIONAL
ADVISORY PANEL
MARK ROBERTS, CEO,
ENVIRONMENTAL
STANDARDS SCOTLAND



Loch Lomond, Scotland



a. Financial review

IEEP UK's funds have been applied in furtherance of its Objectives, as detailed above.

Total gross income in the year to 30 June 2024 was £45,407. This is made up of income from projects of £30,586, along with grants and donations income of £10,000 and miscellaneous income of £4,821.

We have made use of our reserves to co-fund our work on divergence as well as to fund events on topical policy issues, such as UK/EU cooperation.

The net movement in funds for the period, after taking in gains and losses on foreign exchange, was a net loss of £214,949, due in part to a planned transferral to IEEP Aisbl, in line with our cooperation agreement with them.

At 30 June 2024, total funds stood at £152,942. This is in excess of the amount required under the reserves policy below but is being used to fund core activities as further funding streams are developed. This will be kept under review as IEEP UK transitions into its new operating model.

The Trustees are of the opinion that the assets of the charity at the accounting date are available and adequate, within the normal commercial meaning attributed to those words, to fulfil the obligations of the charity.

b. Reserves policy

The Trustees consider that it is appropriate for IEEP UK to hold reserves to fund work in progress and as a guard against the risk of an uneven flow of income. The need to fund work in progress is particularly important as IEEP UK is subject to fluctuations in cash flow arising from the payment arrangements under agreements and contracts with different sponsors. To that end, the Trustees believe the reserves of IEEP UK must be maintained at a level to cover at least 3-6 months of expenditure. Whilst the Trustees acknowledge that the level of reserves is currently higher than the 3-6 month target, these are being actively reduced as we use these to co-fund our ongoing work while seeking new sources of income.

c. Risk management

A risk assessment and management exercise encompassing the strategic direction, operations, finances and staffing of IEEP UK has been carried out and reviewed by the Trustees. They are satisfied that the major risks to which the charity is exposed have been identified and reviewed and that systems are in place to mitigate IEEP UK's exposure to the major risks it faces. The Trustees review risks quarterly as part of an ongoing process.



STRUCTURE, GOVERNANCE & MANAGEMENT

a. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

b. Organisational structure and decision-making policies

The Institute for European Environmental Policy, London (“IEEP”) is a Company Limited by Guarantee and not having a share capital, and a registered charity. The charity’s registered office is in London, and it trades under the name IEEP UK.

In accordance with the Articles of Association and provisions of the Companies Act 2006, Trustees/Directors are appointed by applying in writing to become members of the company, and are proposed for election, by the members, as a Director and a member either by ordinary resolution at a general meeting or by written resolution and appointed, if the resolution is agreed by a simple majority of those eligible to vote. Board Directors automatically become the charity’s Trustees on appointment. Trustees/Directors serve for a term of three years, renewable for two additional terms with a maximum of three consecutive terms i.e. nine years in total.

There are currently four Trustees that maintain responsibility for the charity’s strategy, financial, governance and risk management that meet at least four times per year. The Chair of the IEEP UK Board is also a member of the IEEP Aisbl Board and vice versa. The Board are actively looking to increase the number of Trustees for IEEP UK over the coming year.

The IEEP UK Trustees appoint the Executive Director of IEEP UK and delegate to them responsibility for selecting other staff and for the day-to-day management of the charity. The Trustees also appoint the Company Secretary.

Trustees are recruited as individuals who bring relevant skills and experience to the Board. Recruitment takes place via contacts in organisations that have environmental interests and expertise or more widely when a particular type of more general management experience is sought.

Induction of Trustees includes being provided with relevant information about the charity and briefings from the Chair of Trustees, the Executive Director of IEEP UK and meetings with staff and other Trustees as appropriate. Trustee training is made available to those new to trusteeship and where new issues arise.

c. Internal review of policies

IEEP UK has set up a new process to review its internal policies more regularly and ensure it is embedding the best practice for the charity sector in its operations. This has identified a number of key policy areas that the organisation will develop and adopt over the coming year with the support of trustees, and through review of progress at the quarterly board meetings.

d. Key management and setting their remuneration

The key oversight and scrutiny functions for IEEP UK are carried out by the Charity's Trustees, who are not remunerated.

e. Relationships with others

In the year, IEEP UK had one significant associate institution, which was IEEP Aisbl.

Since the reorganisation of IEEP in 2022, following the exit of the UK from the EU, IEEP UK has had a significant association with IEEP Aisbl with which it works together very closely. In light of the shared objectives of IEEP UK and IEEP Aisbl, the Boards of the two entities agreed to the principle that the two institutions should be operated separately, but there would be full cooperation between them. To this end a Cooperation Agreement was put in place between the two bodies which entered into force on 1 July 2022 for a three-year period. Throughout the reporting year, IEEP UK has continued to enjoy strong links and cooperation with IEEP Aisbl.

Much of IEEP UK's work is sponsored by other charities and organisations, and the Trustees are extremely grateful to the following funders and clients for their support including: the Land Use Policy Group, RSPB Scotland, the Sustainable Nitrogen Alliance (via the Soil Association) and UK CEH.

f. Fundraising

The charity does not carry out any public fundraising.



6600
**VERY INFORMED AND INTERESTING
DISCUSSION WITH VERY GOOD
LEADERSHIP FROM CHAIR**

**NICKY GAVRON, EX-DEPUTY MAYOR
OF LONDON**

Greenwich Park, London


INDEPENDENT EXAMINER



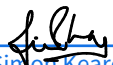
Price Bailey LLP was appointed as Independent Examiner. As independent examiner, Price Bailey LLP will automatically be deemed to be re-appointed under the provisions of the Companies Act 2006 until further notice.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102.

Approved by order of the members of the board of Trustees and signed on their behalf by:


Malini Mehra (Mar 6, 2025 09:45 GMT)

Malini Mehra
Chair


Simon Kearey (Mar 7, 2025 07:48 GMT)

Simon Kearey
Trustee
(Honorary Treasurer, appointed October 2024)

Date: 06/03/2025

07/03/2025



INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the Trustees of Institute for European Environmental Policy, London ('the Charity')

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 30 June 2024.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Price Bailey LLP have provided book keeping services to the Charity. I have applied the FRC's Revised Ethical Standard.

Independent Examiner's Statement

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

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

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.

Signed: 

Dated: 10 March 2025

Suzanne Goldsmith FCA

Price Bailey LLP
Chartered Accountants
24 Old Bond Street
London,
W1S 4AP



STATEMENT OF FINANCIAL ACTIVITIES

Incorporating an income and expenditure account

For the year ended 30 June 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations and legacies	4	10,000	10,000	-
Charitable activities	5	30,586	30,586	88,872
Investments	6	4,411	4,411	1,029
Other income	7	410	410	2,104
Total income		45,407	45,407	92,005
Expenditure on:				
Charitable activities	8	259,555	259,555	301,492
Total expenditure		259,555	259,555	301,492
Net movement in funds before other recognised gains/(losses)		(214,148)	(214,148)	(209,487)
Other recognised gains/(losses):				
Other (losses)/gains		(801)	(801)	1,345
Expenditure in the year being net movement in funds		(214,949)	(214,949)	(208,142)
Reconciliation of funds:				
Total funds brought forward		367,891	367,891	576,033
Net movement in funds		(214,949)	(214,949)	(208,142)
Total funds carried forward		152,942	152,942	367,891

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 33 form part of these financial statements.



BALANCE SHEET

As at 30 June 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	12	1,657	838
Current assets			
Debtors	13	13,622	30,587
Cash at bank and in hand		160,190	546,785
		<u>173,812</u>	<u>577,372</u>
Creditors: amounts falling due within one year	14	<u>(22,527)</u>	<u>(210,319)</u>
Net current assets		<u>151,285</u>	<u>367,053</u>
Total net assets		<u>152,942</u>	<u>367,891</u>
Charity funds			
Unrestricted funds	15	152,942	367,891
Total funds		<u>152,942</u>	<u>367,891</u>

The financial statements have been prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records with section 476 of the Act.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Malini Mehra 
Malini Mehra (Mar 6, 2025 09:45 GMT)

Chair 06/03/2025

Date:

Simon Kearey 
Simon Kearey (Mar 7, 2025 07:48 GMT)

Trustee 07/03/2025

(Honorary Treasurer, appointed October 2024)

The notes on pages 25 to 33 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. General information

Institute for European Environmental Policy, London is a company limited by guarantee, governed by its Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the company, if it is wound up, a sum not exceeding £1. As at 30 June 2024 the company had 6 members (2023: 4). The company is a registered charity (charity number 802956). The registered number is 02458951 and the registered office is 3rd Floor, 24 Old Bond Street, London, W1S 4AP.

2. Accounting policies

2.1 *Basis of preparation of financial statements*

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Institute for European Environmental Policy, London meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Charity and rounded to the nearest £1.

2.2 *Going concern*

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these Financial Statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these Financial Statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed in note 3.

The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.3 *Income*

Income is recognised when the Institute becomes entitled to the income, it is probable the amounts will be received and the amount can be measured with reasonable certainty.

Grant income is recognised in full when the Institute becomes entitled to the income unless it either relates to a grant for a specific future period or is a performance related grant.

Income receivable under performance related grants and contracts for services provided are recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred.

Grants are considered to be restricted where the donor attaches conditions to the use of funds and where the outcome will remain in the public domain. Research project income is where the funder is the principal recipient of the project findings and income is considered to be part of the core activities.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

2.4 *Expenditure*

All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All support costs, including governance costs, have been allocated to expenditure on charitable activities, which otherwise comprises expenditure on the charity's primary charitable purposes as described in the trustee's report.

A cross charge is made annually between IEEP London and IEEP Aisbl based on the relative proportion of each entity's core costs and income.

2.5 *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Incorporating Income and Expenditure Account.

2.7 *Taxation*

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 *Tangible fixed assets and depreciation*

Tangible fixed assets costing more than £100 are capitalised at cost. All fixed assets relate to computer equipment. Depreciation is provided on a basis which will write off the cost of fixed assets over their estimated useful lives by equal annual instalments. The estimated life of the fixed assets is four years.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

<i>Computer equipment</i>	<i>-25%</i>	<i>straight line</i>
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2.9 *Debtors*

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 *Cash at bank and in hand*

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

2.11 *Liabilities and provisions*

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 *Financial instruments*

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value as at the balance sheet date. Fixed assets are measured at cost less current depreciation, all other financial instruments are measured at cost, which is their fair value. Financial assets include the bank balances, trade debtors and accrued income, but excludes prepayments. Financial liabilities include trade creditors, other creditors and accruals but excludes deferred income, social security and other taxes due.

2.13 *Pensions*

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.14 *Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

3. **Critical accounting estimates and areas of judgment**

There are no judgements or critical accounting estimates which have been used in the preparation of these financial statements.

4. **Income from grants and donations**

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Grants and donations	10,000	10,000	-

5. **Income from charitable activities**

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Research projects	30,586	30,586	88,872

In 2023, income from research projects was unrestricted.

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest received	4,411	4,411	1,029

In 2023, investment income was unrestricted.

7. Other income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Compensation and royalties received	410	410	2,104

In 2023, income from compensation and royalties received was unrestricted.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Research projects	240,272	240,272	255,794
Property costs	2,318	2,318	17,393
IEEP Aisbl recharge	16,965	16,965	28,305
	<u>259,555</u>	<u>259,555</u>	<u>301,492</u>

The IEEP Aisbl recharge comprises recharges of financial, operational, IT and communications support as part of achieving the Institute's charitable activities.

In 2023 all expenditure was unrestricted.

9. Independent examiner's remuneration

	2024 £	2023 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	2,600	3,400
Fees payable to the Charity's independent examiner on respect of: assurance services other than independent examination	<u>10,120</u>	<u>10,610</u>

10. Staff costs

	2024 £	2023 £
Wages and salaries	151,313	137,885
Social security costs	7,381	8,505
Pension costs	<u>9,247</u>	<u>5,194</u>
	<u>167,941</u>	<u>151,584</u>

The Charity operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £9,247 (2023: £5,194). Contributions totalling £Nil (2023: £1,768) were payable to the fund at the balance sheet date, and are included in other creditors in the accounts.

During the year, redundancy payments were made of £949 (2023: £Nil) in regards to one individual.

The average number of persons employed by the Charity during the year was as follows:

	2024 No.	2023 No.
Employees	<u>4</u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration for the year (including social security and pension costs) of the key management team comprising the Executive Director and Executive Management Group was £121,386 (2023: £103,833).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023: £Nil).

During the year ended 30 June 2024, expenses totalling £1,190 were reimbursed or paid directly to 3 Trustees in relation to travel, accommodation and subsistence. (2023: £1,386 to 3 Trustees covering travel, accommodation, subsistence and VISA application fees).

12. Tangible fixed assets

	Computer equipment £
Cost	
At 1 July 2023	1,136
Additions	1,323
At 30 June 2024	<u>2,459</u>
Depreciation	
At 1 July 2023	298
Charge for the year	504
At 30 June 2024	<u>802</u>
Net book value	
At 30 June 2024	<u>1,657</u>
At 30 June 2023	<u>838</u>

13. Debtors

	2024 £	2023 £
Trade debtors	10,554	19,401
VAT recoverable	-	6,100
Prepayments and accrued income	3,068	5,086
	<u>13,622</u>	<u>30,587</u>



14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	2,548	11,105
IEEP Aisbl	8,254	188,410
Other taxation and social security	6,325	2,385
Other creditors	-	1,769
Accruals and deferred income	5,400	6,650
	<u>22,527</u>	<u>210,319</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 July 2023	Income	Expenditure	Gains/ (Losses)	Balance at 30 June 2024
	£	£	£	£	£
Unrestricted funds	<u>367,891</u>	<u>45,407</u>	<u>(259,555)</u>	<u>(801)</u>	<u>152,942</u>

Designated foreign exchange fund

The Institute reports in Sterling £ but conducts its operations in Euros, Sterling, and other currencies and accounts for foreign exchange gains and losses which may arise on those transactions during the year. In addition the Institute revalues its bank, creditor and debtor balances denominated in current at 30 June each year and the year end exchange rate to Sterling. The trustees have decided that they would like to cease to designate a foreign exchange fund going forward. The balance designated as at 30 June 2024 is £Nil (2023: £Nil).

Statement of funds - prior year

	Balance at 1 July 2022	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 30 June 2023
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted funds	556,033	92,005	(301,492)	20,000	1,345	367,891
Designated foreign exchange fund	20,000	-	-	(20,000)	-	-
	<u>576,033</u>	<u>92,005</u>	<u>(301,492)</u>	<u>-</u>	<u>1,345</u>	<u>367,891</u>

16. Related party transactions

At the year end £8,254 (2023: £188,410) was due to IEEP Aisbl, an entity whom IEEP UK works in partnership with via a Cooperation Agreement following separation of the UK branch office in Brussels and Herman Wolters and Malini Mehra are common Trustees of. Following the transfer of the charity's staff to IEEP Aisbl, the charities adopted a cross charging arrangement designed to fairly allocate costs for provision of office space, IT facilities and administrative services between the two organisations.

The Institute for European Environmental Policy UK (IEEP UK) is a sustainability think tank with over 40 years of experience. As part of the broader IEEP family, we are committed to advancing evidence-based research, analysis and policy insights in the UK and its interaction with policy in the EU and globally.

For more information about IEEP UK, visit www.ieep.uk or follow us on Bluesky @[IEEP_uk.bsky.social](https://bsky.app/org/ieep-uk) and [LinkedIn](#).

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY, LONDON

England & Wales - Charity number 802956

Accounts

Registered number: 02458951
Charity number: 802956

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY, LONDON
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 - 20

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2023

Trustees	Malini Mehra, Chair David Stanners Adam Gillingham Herman Wolters
Company registered number	02458951
Charity registered number	802956
Registered office	3rd Floor 24 Old Bond Street London W1S 4AP
Independent examiners	Price Bailey LLP Chartered Accountants 24 Old Bond Street London W1S 4AP
Bankers	National Westminster Bank Birmingham B1 2HS
Solicitors	Bates Wells and Braithwaite LLP 10 Queen Street Place London EC4R 1BE

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Trustees present their annual report together with the financial statements of the Institute for European Environmental Policy, London for the year 1 July 2022 to 30 June 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Institute for European Environmental Policy, London (trading as IEEP UK) is a registered charity and not-for-profit company limited by guarantee and, as such, is governed by its Memorandum of Association and Articles of Association. This report of activities is presented by the Directors, who are also the charity Trustees, together with an independent examination of their financial statements for the year ended 30 June 2023.

Objectives and activities

a. Objectives of IEEP UK

As a sustainability think tank with over 40 years' experience IEEP UK is committed to assessing, informing and shaping long-term and effective environmental policies at a UK and European level through evidence-based research, analysis and policy insights. Following internal restructuring necessitated by Brexit and the creation of an independent European office in Brussels in 2019, IEEP, London, now operates as IEEP UK. We continue to operate as part of the broader IEEP family, ensuring that the UK benefits from intelligence, research and experience from other countries to develop the most effective policy options.

IEEP UK's ambition for the UK is that by 2028 the UK and its four constituent nations will have strong, long-term, coherent and effective environmental and climate policies that are fit for purpose to address current and future anticipated challenges and are well implemented and enforced.

To achieve this ambition, we work as part of the UK and broader European environmental community, providing independent and comparative analysis, evidence and policy insights as well as convening and brokering discussions between different actors to shape the development and implementation of a new generation of policies, strategies and governance frameworks.

Achievements and performance

a. Review of IEEP UK's activities and achievements in 2022/23

Over the past year we have focussed and offered advice on some key issues for the environment in the UK, many arising from the country's departure from the EU and the process of setting out in new policy directions. Administrations within the UK continue to lay the foundations for longer term policy and governance changes, with distinctive differences between the four nations. This is a process we have followed closely.

At the same time, we have been consolidating the presence of IEEP in the UK and making it operationally robust. We have developed a forward-looking strategy for 2023-2027 setting our ambition for the UK, our model of change, our thematic focus for the coming years as well as our plans for growth. We have created a distinct IEEP UK identity and profile, complementing our European presence, to enhance our visibility in the UK, including the development of a new logo, dedicated website and separate social media presence.

Our overall approach is to support evidence-based decision-making for ambitious environmental and climate policies in the UK, informed by the wider European and global context where relevant, through harnessing knowledge and partnerships for strategic change.

Over the past year, IEEP UK has engaged in a range of key environmental policy issues.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance (continued)

Specific projects and activities include:

- Funded partly by the John Ellerman Foundation and partly through our own resources, we have carried out work on identifying and analysing the significance and implications of future divergence in environmental policy between the UK and the EU, as well as within the UK itself, following the UK's departure from the EU. A divergence tracker has been created and extended to cover all new environmental and climate legislation emanating from the EU and the UK and we are exploring ways to make this information publicly available. This has informed a number of reports and webinars over the year, examining the implications for the environment of actual and potential divergence. For example, in relation to biodiversity, industrial emissions, and plastics. In addition, we produced a report on the motives of different groups of actors for and against divergence by the UK from EU environmental laws, as well as one looking at the options for environmental regulation post Brexit funded by the Friedrich Ebert Foundation and presented at a side event at the 2022 Labour conference.

Our divergence 'Hub' has continued to prove popular, bringing together key stakeholders from across civil society, business and academia to share knowledge and information on this topic and assess developments, identifying and highlighting problematic areas as they unfold. Areas of focus this year have been air quality, water quality and marine and fisheries policy. Meetings have also been held in Brussels and London with relevant Commission, Member State and UK government officials and we have recently started a regular monthly newsletter. Future funding is to be sought to enable the project to run for the coming years and provide more capacity to use the hub to generate policy change.

- Throughout the year, IEEP UK has contributed to the debates on the Retained EU Law (REUL) Bill, both independently and through active participation in the committee within Greener UK that drives work on this issue (the Environmental Governance Group), which IEEP UK's David Baldock chairs. We produced a blog in advance of the second reading to the House of Commons, submitted evidence to the Public Bill Committee and contributed to many of the Greener UK briefing papers and proposals for amendments. We also contributed to a review of the list of proposed measures to be revoked by year end in a rapid 48-hour process in which we found a couple of measures of concern and fed into important environmental amendments tabled in the House of Lords. The abandonment by the Government of the default "sunset" requirement for a large batch of retained EU law by the end of 2023, a large proportion of which was environmental, was a major victory for the large coalition of Bill opponents, prominent amongst which was Greener UK of which we were part. Having now passed into law, we have received funding from the Delves Trust to continue our work on this topic, holding Government to account on the implementation of the REUL Act to ensure that environmental legislation is not weakened.
- There is a strong case for the EU and UK to work more closely on environmental issues. Should a UK government wish to build a stronger relationship with the EU, the environment is likely to be a policy area on which this could be done. With this in mind, IEEP UK contributed written evidence to the House of Lords European Affairs inquiry on the future of EU/UK relations with an emphasis on the need for greater cooperation and collaboration on technical matters around chemicals, data, monitoring and reporting and industrial emissions. With the thawing of relations between the UK and the EU after the signing of the agreement on the Windsor Framework, IEEP UK held a roundtable discussion to look at opportunities for UK-EU cooperation in relation to the environment and climate. This is an area for increased focus in the coming months and years.
- Post Brexit, the four countries of the UK are developing and implementing new agricultural policies. These could be instrumental in restoring the natural environment and addressing climate change. Over the year, we have developed our work on the theme of agriculture and land management, to help to ensure this opportunity is taken as well as to generate evidence to help the EU's Common Agricultural Policy (CAP) develop to be more environmentally positive. This has included examining the future trajectory of support for agriculture in the four nations of the UK and looking at what lessons this provides for the next reform of the CAP. We published a briefing on 'Looking ahead to the next CAP Reform – are there lessons to be learned from the UK experience?' which generated interest from the European Commission and certain EU countries: we hosted a delegation of Dutch officials from the Ministry of Agriculture and the Dutch Embassy in the UK, to discuss agricultural policy developments in the UK and the situation in the Netherlands. We also produced quarterly overviews of policy developments in different parts of the UK

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance (continued)

and the EU with a particular bearing on future rural land use and agriculture for a group of statutory agencies forming the Land Use Policy Group. These were supplemented by presentations at meetings. In addition, Kaley Hart (Executive Director) was invited to become a member of the Steering Group for the development of a report on regenerative agriculture in the UK, led by the British Ecological Society, advising on policy recommendations. She also synthesised new research on the concept of a “sweet spot”, showing how environmental sustainability and farm profitability can go hand in hand, subsequently published by the Wildlife Trusts and the Nature Friendly Farming Network. This thought-provoking report was the subject of a discussion panel at Groundswell in June 2023.

- Successful environmental policy must be underpinned by effective data and monitoring. To examine this issue in more detail, in summer 2023 we hosted two events. The first, organised for the EU Delegation to the UK and chaired by IEEP UK’s Michael Nicholson, brought experts together to discuss the new environmental governance arrangements around data and reporting now that the UK is no longer a member of the European Union and examined how to ensure comparability of data between the UK and the EU in the future. A complementary event took place at London’s City Hall during London Climate Action Week and focused on ‘Harnessing Data for enhanced climate action’, where the focus was on cities and how they drive the environmental agenda. These have helped raise the profile of this issue.
- In response to proposals from the Scottish Government to hold a second independence referendum, the question of how this might affect the environment has arisen. IEEP UK was commissioned by a group of environmental organisations, led by RSPB Scotland, to examine the potential environmental impacts of different scenarios that could follow a vote on independence, working through interviews with experts, particularly in Scotland, as well as the literature. One important dimension to consider within such scenarios is Scotland’s future relationship with the EU and the flow of environmental legislation that emanates from it. Although the political timetable has been pushed back on this topic in Scotland, the report is intended to provide an independent analysis to support the work of civil society and potentially others in Scotland.
- The research we carried out for WWF on the feasibility of incorporating environmental standards within trade deals was launched in autumn 2022 and has informed Defra’s thinking on this issue. Allan Buckwell (IEEP Associate) took part in a roundtable discussion with Defra officials to discuss the findings. Government is proving resistant to incorporating environmental standards objectives into trade policy but our work is informing the advocacy that a number of NGOs are doing to try to change this.

b. Institutional developments

The period following the partial transfer of assets to IEEP AISBL in January 2019 has been one of transition and consolidation for IEEP UK. In Spring 2022 the Board agreed to strengthen IEEP UK with a view to reinforcing its activities in the UK with the appointment of a separate Executive Director, a junior policy and communications assistant and a part-time senior policy expert to join the existing Head of UK Environmental Policy.

In light of the shared objectives of IEEP UK and IEEP AISBL, the Boards of the two entities agreed to the principle that the two entities should be operated separately from Spring 2022, but there would be full cooperation between them. To this end a Cooperation Agreement was put in place between the two entities. The current agreement entered into force on 1 July 2022 for a three-year period.

IEEP UK also engages in the Think Sustainable Europe Network established by IEEP AISBL, to contribute UK evidence, insights and ideas to our European Partners, and to bring best practices, facts, policy insights to UK policy makers and the wider public.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance (continued)

c. Objectives and plans for future periods

IEEP UK's central aim for 2023-24 will be to develop and grow the organisation, working with partners to develop the evidence base in the UK to inform and shape effective environmental policies. This will be done in particular by continuing to build relations with partners and clients and delivering a compact yet impactful programme of research and projects that contribute to IEEP UK's 2023-27 vision and strategy. The approval of a new Strategy for IEEP UK for 2023-27 by the Board, signals their ambition and intention for IEEP UK to grow and develop in a new setting working alongside IEEP AISBL and partners in Europe.

A further aim for 2023/24 will be to expand our workstream on divergence in environmental regulation that as well as to increase our activities in relation to environmental governance, agriculture and land management policy and the circular economy with a view to informing the development of a more strategic approach to environmental policy and governance within the UK. This work will continue to be part funded through IEEP UK's strategic reserves, until they are reduced to the level set out in our reserves policy, as well as through foundation funding from outside.

Going beyond 2024, IEEP UK will look to consolidate and expand its work programme in line with its Strategy for 2023-27. It aims to source further foundation funding to support its activities so that it can achieve its core objectives.

For the financial year 2023-24 the forecasts foresee an income of £94,167 and expenditure of £288,350 resulting in a deficit of £194,183.

d. Public benefit

The Trustees confirm that they have complied with section 17 (5) of the Charities Act 2011 and have had due regard to the Charity Commission general guidance on public benefit. IEEP UK believes that its independent work helps to inform those developing and implementing UK (and European) policy in such a way that the results are to the benefit of the public as a whole as well as to the environment. All IEEP UK's reports are freely available on our website, the accessibility of which we seek to improve progressively over time.

Financial review

a. Financial review

IEEP UK's funds have been applied in furtherance of its Objects, as detailed above.

Total gross income in the year to 30 June 2023 was £92,005 (2022: £137,690). This is made up of income from projects of £88,872 (2022: £73,440), along with grants and donations income of £nil (2022: £63,950) and other income of £3,133 (2022: £300).

We have made use of our reserves to co-fund our work on divergence as well as to fund events on topical policy issues, such as UK/EU cooperation.

The net movement in funds for the period, after taking in gains and losses on foreign exchange was a net loss of £208,142 (2022: £48,047).

At 30 June 2023, total funds stood at £367,891 (2022: £576,033). This is in excess of the amount required under the reserves policy below but is being used to fund core activities as further funding streams are developed. This will be kept under review as IEEP UK transitions into its new operating model.

The Trustees are of the opinion that the assets of the charity at the accounting date are available and adequate, within the normal commercial meaning attributed to those words, to fulfil the obligations of the charity.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

b. Reserves policy

The Trustees consider that it is appropriate for IEEP UK to hold reserves to fund work in progress and as a guard against the risk of an uneven flow of income. The need to fund work in progress is particularly important as IEEP UK is subject to fluctuations in cash flow arising from the payment arrangements under agreements and contracts with different sponsors. To that end, the Trustees believe the reserves of IEEP UK must be maintained at a level to cover at least 6-9 months of expenditure which is expected to be £150k - £225k. Whilst the Trustees acknowledge that the level of reserves is currently higher than the 6-9 month target, these are being actively reduced as we use these to co-fund our ongoing work while seeking new sources of income.

c. Risk management

A risk assessment and management exercise encompassing the strategic direction, operations, finances and staffing of IEEP UK has been carried out and reviewed by the Trustees. They are satisfied that the major risks to which the charity is exposed have been identified and reviewed and that systems are in place to mitigate IEEP UK's exposure to the major risks it faces. The Trustees review risks quarterly as part of an ongoing process.

Structure, governance and management

a. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

b. Structure, governance and management

The Institute for European Environmental Policy (IEEP), London, trading as IEEP UK is a Company Limited by Guarantee, and a registered charity. The charity's registered office is in London.

In accordance with the Articles of Association and provisions of the Companies Act 2006, Trustees/Directors are appointed by applying in writing to become members of the company, and are proposed for election, by the members, as a Director and a member either by ordinary resolution at a general meeting or by written resolution and appointed, if the resolution is agreed by a simple majority of those eligible to vote. Board Directors automatically become the charity's Trustees on appointment. Trustees/Directors generally serve for 4 to 6 years and are eligible for re-appointment.

There are currently four Trustees that maintain responsibility for the charity's strategy, financial, governance and risk management that meet at least four times per year. The Chair of the IEEP UK Board is also a member of the IEEP AISBL Board and vice versa. We are actively looking to increase the number of Trustees for IEEP UK over the coming year.

The IEEP Trustees appoint the Executive Director of IEEP UK and delegate to them responsibility for selecting other staff and for the day-to-day management of the charity. The Trustees also appoint the Company Secretary. Details of the Trustees and officers are shown above.

Trustees are recruited as individuals who bring relevant skills and experience to the Board. Recruitment takes place via contacts in organisations that have environmental interests and expertise or more widely when a particular type of more general management experience is sought.

Induction of Trustees includes being provided with relevant information about the charity and briefings from the Chair of Trustees, the Executive Director of IEEP UK and meetings with staff and other Trustees as appropriate. Trustee training is made available to those new to trusteeship and where new issues arise.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Structure, governance and management (continued)

c. Key management and setting their remuneration

The key oversight and scrutiny functions for IEEP UK are carried out by the Charity's Trustees, who are not remunerated.

d. Relationships with Others

In the year, IEEP UK had one significant associate institution, which was IEEP AISBL, governed by the terms of a renewed Cooperation Agreement, as noted above.

Much of IEEP UK's work is sponsored by other charities, and the Trustees are extremely grateful to the following funders and clients for their support including: the John Ellerman Foundation, Land Use Policy Group, Greener UK, ClientEarth, RSPB Scotland, the Wildlife Trusts and Wildlife and Countryside Link.

Fundraising

The charity does not carry out any public fundraising.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Independent Examiner

Price Bailey LLP was appointed as Independent Examiner. As independent examiner, Price Bailey LLP will automatically be deemed to be re-appointed under the provisions of the Companies Act 2006 until further notice.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Malini Mehra (22 Dec 2023, 5:43pm)

Date: 22 Dec 2023

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

**Independent Examiner's Report to the Trustees of Institute for European Environmental Policy
(the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 30 June 2023.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.


Price Bailey LLP have provided book-keeping services to the Charity. I have applied the FRC's Revised Ethical Standard.

Independent Examiner's Statement

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

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

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.

Signed: 

Dated: 5 January 2024

Helena Wilkinson FCA DchA

Price Bailey LLP
Chartered Accountants
24 Old Bond Street
London
W1S 4AP

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income from:				
Donations and legacies	4	-	-	63,950
Charitable activities	5	88,872	88,872	73,440
Investments	6	1,029	1,029	-
Other income	7	2,104	2,104	300
Total income		92,005	92,005	137,690
Expenditure on:				
Charitable activities	8	301,492	301,492	175,052
Total expenditure		301,492	301,492	175,052
Net movement in funds before other recognised gains/(losses)		(209,487)	(209,487)	(37,362)
Other recognised gains/(losses):				
Other gains/(losses)		1,345	1,345	(10,685)
Expenditure in the year being net movement in funds		(208,142)	(208,142)	(48,047)
Reconciliation of funds:				
Total funds brought forward		576,033	576,033	624,080
Net movement in funds		(208,142)	(208,142)	(48,047)
Total funds carried forward		367,891	367,891	576,033

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 20 form part of these financial statements.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**BALANCE SHEET
AS AT 30 JUNE 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	838	1,122
Current assets			
Debtors	13	30,587	37,267
Cash at bank and in hand		546,785	604,636
		577,372	641,903
Creditors: amounts falling due within one year	14	(210,319)	(66,992)
		367,053	574,911
Net current assets		367,053	574,911
Total net assets		367,891	576,033
Charity funds			
Unrestricted funds	16	367,891	576,033
Total funds		367,891	576,033

The financial statements have been prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records with section 476 of the Act.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Malini Mehra (Dec 22, 2023, 5:43pm)

Malini Mehra

Chair

Date: 22 Dec 2023

The notes on pages 12 to 20 form part of these financial statements.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

Institute for European Environmental Policy, London is a company limited by guarantee, governed by its Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the company, if it is wound up, a sum not exceeding £1. As at 30 June 2023 the company had 4 members (2022: 4). The company is a registered charity (charity number 802956). The registered number is 02458951 and the registered office is 3rd Floor, 24 Old Bond Street, London, W1S 4AP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Institute for European Environmental Policy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Charity and rounded to the nearest £1.

2.2 Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these Financial Statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these Financial Statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed in note 3.

The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.3 Income

Income is recognised when the Institute becomes entitled to the income, it is probable the amounts will be received and the amount can be measured with reasonable certainty.

Grant income is recognised in full when the Institute becomes entitled to the income unless it either relates to a grant for a specific future period or is a performance related grant.

Income receivable under performance related grants and contracts for services provided are recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred.

Grants are considered to be restricted where the donor attaches conditions to the use of funds and where the outcome will remain in the public domain. Research project income is where the funder is the principal recipient of the project findings and income is considered to be part of the core activities.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

2.4 Expenditure

All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All support costs, including governance costs, have been allocated to expenditure on charitable activities, which otherwise comprises expenditure on the charity's primary charitable purposes as described in the trustee's report.

A cross-charge is made annually between IEEP London and IEEP AISBL based on the relative proportion of each entity's core costs and income.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £100 are capitalised at cost. All fixed assets relate to computer equipment. Depreciation is provided on a basis which will write off the cost of fixed assets over their estimated useful lives by equal annual instalments. The estimated life of the fixed assets is four years.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	25% straight line
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2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value as at the balance sheet date. Fixed assets are measured at cost less current depreciation, all other financial instruments are measured at cost, which is their fair value. Financial assets include the bank balances, trade debtors and accrued income, but excludes prepayments. Financial liabilities include trade creditors, other creditors and accruals but excludes deferred income, social security and other taxes due.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

3. Critical accounting estimates and areas of judgment

There are no judgements or critical accounting estimates which have been used in the preparation of these financial statements.

4. Income from Grants and donations

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grants and donations	-	-	63,950

In 2022, income from grants and donations were unrestricted.

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Research projects	88,872	88,872	73,440

In 2022, income from research projects was unrestricted.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. Investement income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest received	1,029	1,029	-
	<u>1,029</u>	<u>1,029</u>	<u>-</u>

7. Other income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Compensation received	2,104	2,104	300
	<u>2,104</u>	<u>2,104</u>	<u>300</u>
Total 2022	<u>300</u>	<u>300</u>	

In 2022, income from compensation received was unrestricted.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Research projects	255,794	255,794	112,756
Property costs	17,393	17,393	11,551
IIEP AISBL recharge	28,305	28,305	50,745
	<u>301,492</u>	<u>301,492</u>	<u>175,052</u>

The IIEP AISBL recharge comprises recharges of financial, operational, IT and communications support as part of achieving the Institute's charitable activities.

In 2022 all expenditure was unrestricted.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	3,450	6,975
Fees payable to the Charity's independent examiner in respect of: assurance services other than independent examination	3,200	-
	3,200	-

10. Staff costs

	2023 £	2022 £
Wages and salaries	137,885	52,414
Social security costs	8,505	5,660
Pensions costs	5,194	3,033
	151,584	61,107

The Charity operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £5,194 (2022: £3,033). Contributions totalling £1,768 (2022: £Nil) were payable to the fund at the balance sheet date, and are included in other creditors in the accounts.

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Employees	4	1
	4	1

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration for the year (including social security and pension costs) of the key management team comprising the Executive Director and Executive Management Group was £103,833 (2022: £Nil).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 30 June 2023, expenses totalling £1,386 were reimbursed or paid directly to 3 Trustees (2022 - £206 to 1 Trustee covering travel, accommodation and subsistence associated with attending Board Meetings, Financial Committee meetings and other meetings associated with Governance in London and Brussels). The costs related to travel, accommodation, subsistence and VISA application fees.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 July 2022	1,136
At 30 June 2023	1,136
Depreciation	
At 1 July 2022	14
Charge for the year	284
At 30 June 2023	298
Net book value	
At 30 June 2023	838
At 30 June 2022	1,122

13. Debtors

	2023 £	2022 £
Trade debtors	19,401	28,458
VAT recoverable	6,100	4,681
Prepayments and accrued income	5,086	4,128
	30,587	37,267

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	11,105	7,701
IEEP AISBL	188,410	38,452
Other taxation and social security	2,385	-
Other creditors	1,769	-
Accruals and deferred income	6,650	20,839
	210,319	66,992

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

15. Prior year adjustment

The prior year adjustment relates to the reclassification of £11,551 of expenditure from raising funds and £50,745 of other expenses to charitable activities. Due to the nature of these expenses, they are more accurately classified within charitable activities.

16. Statement of funds

Statement of funds - current year

	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2023 £
Unrestricted funds						
Unrestricted funds	556,033	92,005	(301,492)	20,000	1,345	367,891
Designated foreign exchange fund	20,000	-	-	(20,000)	-	-
	<u>576,033</u>	<u>92,005</u>	<u>(301,492)</u>	<u>-</u>	<u>1,345</u>	<u>367,891</u>

Designated foreign exchange fund

The Institute reports in Sterling £ but conducts its operations in Euros, Sterling, and other currencies and accounts for foreign exchange gains and losses which may arise on those transactions during the year. In addition the Institute revalues its bank, creditor and debtor balances denominated in current at 30 June each year and the year end exchange rate to Sterling. The trustees have decided that they would like to cease to designate a foreign exchange fund going forward. The balance designated as at 30 June 2023 is £Nil (2022: £20,000).

Statement of funds - prior year

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2022 £
Unrestricted funds					
Unrestricted funds	604,080	137,690	(175,052)	(10,685)	556,033
Designated foreign exchange fund	20,000	(10,685)	-	10,685	20,000
	<u>624,080</u>	<u>127,005</u>	<u>(175,052)</u>	<u>-</u>	<u>576,033</u>

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. Related party transactions

At the year end £188,410 (2022: £38,452) was due to IEEP AISBL, an entity whom IEEP UK work in partnership with via a Cooperation Agreement following the separation of the UK branch office in Brussels and Herman Wolters and Malini Mehra are common Trustees of. Following the transfer of the charity's staff to IEEP AISBL, the charities adopted a cross charging arrangement designed to fairly allocate the costs for the provision of office space, IT facilities and administrative services between the two organisations.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY, LONDON

England & Wales - Charity number 802956

Accounts

Institute for European Environmental Policy, London
also trading as: IEEP UK



**(COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)**

**Company No. 02458951
Charity No. 802956**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

30th JUNE 2022

Contents

Reports

Reference and administrative information	1
Trustees' report	2-14
Independent Examiner's report on the financial statements	15

Financial statements

Statement of financial activities incorporating income and expenditure account	16
Balance sheet	17
Statement of cash flows	18
Principal accounting policies	19-21
Notes to the financial statements	22-26

Reference and administrative information

Trustees Herman Wolters (Chair to April 2022)
Malini Mehra (Chair from April 2022)
Margaret Patricia Henton
Adam Gillingham
David Stanners (appointed 26 April 2022)

Registered address IEEP Offices - 25 EP 25 Eccleston Place
London SW1W9NF

Company registration number 02458951

Charity registration number 802956

Auditor Buzzacott LLP 130 Wood Street London
EC2V 6DL

Bankers National Westminster Bank Tavistock
House Tavistock Square London WC1H
9XA

Solicitors Bates Wells and Braithwaite LLP 10
Queen Street Place London EC4R 1BE

Trustee's report Year to 30 June 2022

Trustees' report

The Institute for European Environmental Policy, London (trading as the Institute for European Environmental Policy UK or IEEP UK) is a registered charity and not-for-profit company limited by guarantee and, as such, is governed by its Memorandum of Association and Articles of Association. Directors, who are also the charitable Trustees, present their report together with an independent examination of their financial statements for the year ended 30 June 2022, which have been prepared in accordance with current statutory requirements; the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objects and policies of the Charity

IEEP London is a leading environmental sustainability think tank for the analysis and development of environmental and related policies in the UK and Europe. The objects are to advance the education of the public in the protection of the environment in the continent of Europe and in all forms of national and international policy relating thereto, and to carry out research and enquiry into all aspects of the environment and environmental policy.

These objects are achieved by all appropriate means, including research, the provision of advisory services and preparation of commissioned reports, the organisation of conferences and training courses, and the publication of manuals and other books, reports, articles and newsletters, utilising both digital and paper media.

Aims and activities

Following the vote in the UK Referendum that the UK would cease to be a member of the European Union, the Board of IEEP London reviewed the sources of income of the organisation and identified that these at the time were mainly from bodies based on mainland Europe, including the European Commission and European Parliament. The Board recognised that the Institute, as a UK based entity, would be unlikely to be eligible to bid for such funding which would have a major impact on income flows. The Board of the Institute resolved that in order to be able to continue its charitable purposes, it would establish IEEP AISBL as an independent, not for profit entity based in Brussels with similar objects to those of IEEP London. In order to facilitate this, the Institute undertook a partial transfer of assets to IEEP AISBL in January 2019.

Trustee's report Year to 30 June 2022

Aims and activities (continued)

In light of the shared objectives of the Institute and IEEP AISBL, the Boards of the two entities agreed to the principle that there would be full cooperation between the two entities and that, where possible, each would assist the other with regards to financial and other operating matters arising from time to time and in furtherance of that, a formal Collaboration Agreement was entered into in January 2019 for an initial duration of three years, subsequently extended until end June 2022. In terms of the Collaboration Agreement, the expectation is that the Institute focuses mainly, but not exclusively, on the UK and where appropriate, the rest of the World and IEEP AISBL on work and projects within the European Union, but again not exclusively. The Boards of both bodies wish this cooperation to continue and to that end, a new Cooperation Agreement was agreed which entered into force on 1 July 2022 for the next three-year period.

The period following the partial transfer has proved to be a period of transition and consolidation for IEEP London. A new head of UK environmental policy was appointed in July 2021, employed by IEEP London and in Spring 2022 the Board agreed to strengthen IEEP London with a view to reinforcing its activities in the UK with the appointment of a separate Executive Director, a junior policy and communications assistant and a part-time senior policy expert. IEEP London continues to focus on key environmental policy issues and advise on the implications and impacts of UK environmental issues and their interactions with policy in the EU and globally.

The combined contribution supports evidence-based decision-making for European sustainability policies and to harness knowledge for strategic change.

Trustee's report Year to 30 June 2022

Aims and activities (continued)

IEEP London continues to focus on a range of key environmental policy issues. Specific work included:

- In Autumn 2021 IEEP London was successful in being awarded funding from the John Ellerman Foundation to carry out work on identifying and analysing the significance and implications of future divergence in environmental policy between the UK and the EU, as well as within the UK itself, following Brexit. A divergence 'Hub' has been convened with key stakeholders from across civil society, business and academia to share knowledge and information and assess developments as they unfold. Meetings have been held in Brussels and London with relevant Commission, Member State and UK government officials, a divergence tracker is under development, a paper on the nature of divergence has been produced and a successful webinar was held in June 2022. The work is ongoing with more papers and webinars planned, and future funding is to be sought to enable the project to run for the next 3 years.
- Throughout the year IEEP London contributed actively to analysis and discussion of the new forms of environmental governance systems being put into place in the UK and key items of legislation, including the Environment Act. IEEP London was represented on the Stakeholder Group advising on the development of the Office of Environmental Protection's strategy, interim status and functions and a number of stakeholder exchanges and group discussions convened by the Department for Environment Food and Rural Affairs, for example in relation to UK policy on trade and the environment and the Trade and Cooperation Agreement with the EU. David Baldock (Senior Fellow & former Director of IEEP London) provided advice to the Board of Greener UK and its governance working group and fed into discussions organised by think tanks, the Broadway Group and others. He was also a member of the World Wide Fund for Nature's Trade and Agriculture Advisory Committee and chaired a World Wide Fund for Nature UK/IEEP webinar on agri Progress Report to Parliament. r facilitated several webinars for UK audiences on topics such as on the development of food systems policy on an EU scale and the key factors of the European Union's current climate package called 'fit for 55' in the run up to its longer-term net zero programme.
- Michael Nicholson (Head of UK Environmental Policy) attended the United Nations climate conference (COP26) in Glasgow in November 2021 and wrote several pieces and featured in a couple of podcasts.

Trustee's report Year to 30 June 2022

Aims and activities (continued)

- Quarterly overviews of policy developments in different parts of the UK and the EU with a particular bearing on future rural land use and agriculture were provided for a group of statutory agencies forming the Land Use Policy Group. These were supplemented by presentations at meetings and a separate analysis and presentation of the key environmental issues for a future roadmap for a long-term vision for rural areas in the EU. In addition, IEEP London contributed to a Department for Environment Food and Rural Affairs-funded project to provide evidence of the environmental impact of a range of land management actions to inform the Department for Environment Food and Rural Affairs's choice of actions to be included in the future Environmental Land Management Schemes in England which are set to replace EU funding from the Common Agricultural Policy.

- With increasing environmental ambitions for agriculture and land management in the UK there are growing concerns about whether these are well integrated with emerging trade policy and a rapid programme of new Free Trade Agreements. There is potential for agricultural imports from countries with lower environmental standards and associated competitive advantages to increase, so threatening the livelihood of domestic producers and the efficacy of the environmental standards themselves. In response to these concerns, IEEP London contributed to studies for both World Wide Fund for Nature UK and the Climate Change Committee to look at the potential policy approaches to addressing this problem, investigating how core environmental standards could apply to imports as well as domestic producers (World Wide Fund for Nature UK report) as well as how to reduce emissions from agriculture and deforestation via trade policies (Climate Change Committee). The work for the Climate Change Committee fed into their 2022 Progress Report to Parliament.

- Towards the end of the period new projects were under development, including one to inform the development of a more strategic approach to environmental policy and governance within the UK. This would look at developing forward thinking solutions for a more coherent approach to deliver the UK's environmental and climate ambitions in practice in all four UK countries, including the role of cross-cutting policies, such as trade as well as stronger governance arrangements.

Trustee's report Year to 30 June 2022

Review of the period

Achievements and financial performance in 2021/2022

The Collaboration Agreement has ensured an ongoing collaboration between IEEP London and IEEP AISBL, allowing for the realisation of projects as well as cost sharing of staff and facilities.

The following are highlights of work carried out in collaboration with IEEP AISBL, working for objectives of our FY21-22 strategy:

- John Ellerman Foundation – grant funding provided to deliver a programme of work on the divergence of UK environmental policy from the EU and between the four UK countries.
- Land Use Policy Group– working for NatureScot on behalf of the UK’s environmental agencies, IEEP provides advisory services on a range of thematic based topics in the agriculture, rural and land use area.
- World Wide Fund for Nature – working with Tulip consulting to produce a report on the potential for development core environmental standards for food imports
- Climate Change Committee – working with Ricardo Energy and Environment to produce a report on options for achieving emissions reductions via trade policies, with a focus on agriculture and deforestation.
- Department for Environment Food and Rural Affairs – working under contract to UK Centre for Ecology & Hydrology to assess the environmental impact of land management actions under consideration for inclusion within the future Environmental Land Management Schemes.

The total gross income for IEEP London for 2021/22 projects is £73,440, along with grants & donations income of £63,950 and miscellaneous income of £300.

Trustee's report Year to 30 June 2022

Objectives, aims and plans for future periods

IEEP London's central aim for 2022-23 will be to re-establish itself in the UK in particular by re-building relations with partners, revitalising its client base and delivering a compact yet impactful programme of projects that contribute to IEEP's overall vision and strategy.

Since the UK's Exit from the European Union, as anticipated, a significant portion of IEEP London's work programme carried out from London on mainland Europe has ended. This is shown in the relative changes in the profit and loss and balance sheet. However, commitment by IEEP London's Board to invest in IEEP UK's business is seen through the hiring of the new Executive Director, junior policy and communications assistant, part-time senior fellow and their minuted statements of intent.

A new Strategy for IEEP London's business was approved at the December 2021 Board meeting, signalling yet further ambition and intention to grow and develop in a new setting working alongside IEEP AISBL and its partners in the European Union.

A key aim for 2022/23 will be to expand our work around the regulatory divergence that is ongoing between the European Union and the UK since 1 January 2021 as well as to develop a work stream to inform the development of a more strategic approach to environmental policy and governance within the UK. This work will be part funded through IEEP London's strategic reserves as well as through foundation funding from outside.

Going beyond 2023, IEEP London will look to consolidate and expand its work programme. It aims to find further foundation funding to support its core activities so that it can achieve its core objectives.

For the financial year 2022-23 the forecasts foresee an income of £94,404 and expenditure of £303,046 resulting in a deficit of £208,642.

Trustee's report Year to 30 June 2022

Public benefit

The Trustees confirm that they have complied with section 17 (5) of the Charities Act 2011 and have had due regard to the Charity Commission general guidance on public benefit. IEEP London believes that its independent work helps to inform those developing and implementing European (including UK) policy in such a way that the results are to the benefit of the public as a whole as well as the environment. All IEEP UK's reports are freely available on our website, the accessibility of which we seek to improve progressively over time.

Financial review

IEEP London's funds have been applied in furtherance of its Objects, as detailed above.

In accordance with the rules governing partial transfers of undertakings between UK and overseas charities, the IEEP London Board was given full access to the budget, the accounts of the AISBL as well the auditor's report, ensuring that funds transferred to the AISBL were used in accordance with the charitable mandate of IEEP London.

Total gross income in the year to 30 June 2022 was £137,690

The net movement in funds for the period, after taking in gains and losses on foreign exchange was a net loss of £48,047

At 30 June 2022, total funds stood at £576,033. This is considerably in excess of the amount required under the reserves policy below but will be kept under review as IEEP London transitions into its new operating model.

The Trustees are of the opinion that the assets of the charity at the accounting date are available and adequate, within the normal commercial meaning attributed to those words, to fulfil the obligations of the charity.

Trustee's report Year to 30 June 2022

Reserves policy

The Trustees consider that it is appropriate for IEEP London to hold reserves to fund work in progress and as a guard against the risk of an uneven flow of income. The need to fund work in progress is particularly important as IEEP London is subject to fluctuations in cash flow arising from the payment arrangements under contracts with different clients. To that end, the Trustees believe the reserves of IEEP London must be maintained at a level to cover at least 6-9 months of expenditure. Whilst the Trustees acknowledge that the level of reserves is currently higher than the 6-9 month target, given that the charity is a stage of transition, the amount of reserves held is appropriate.

Treasury management policy

IEEP London operates principally in Sterling and Euros and has a policy of minimising the risk of adverse exchange rate fluctuations and the cost of transfer by retaining balances in either Sterling or Euros in their original currency for use in paying expenses in that currency to the extent required. Where possible any surplus balances are placed in interest bearing bank deposit accounts.

IEEP London seeks to minimise exposure to currency risks in contracts by having sub-contract payments denominated in the currency of the main contract wherever possible and by taking other measures to secure exchange rates in advance where this is felt to be prudent.

Risk management in light of COVID-19

A risk assessment and management exercise encompassing the strategic direction, operations, finances and staffing of IEEP London has been carried out and reviewed by the Trustees. They are satisfied that the major risks to which the charity is exposed have been identified and reviewed and that systems are in place to mitigate IEEP London's exposure to the major risks it faces. The Trustees review risks annually as part of an ongoing process.

Trustee's report Year to 30 June 2022

Risk management in light of COVID-19 (continued)

The Covid-19 crisis and its consequences were addressed from the beginning of the first lockdown in March 2020 and updated and kept regularly under review once the most acute phase of the lockdown was over. The Board was reassured about the risks and challenges identified and the practical solutions found in order to facilitate interactions between the London and Brussels offices during the Coronavirus crisis.

The measures included:

1- Contingency planning around project delivery and other key processes

- i. Organisation-wide risk assessment and mitigation for all projects with major deliverables until the end of June
- ii. Coordinated response to enquiries by funders (foundations) and clients (EC, private sector, NGOs) around potential delays.
- iii. Ensuring continuity of business around contract and other signatures of official documents as well as mail monitoring.

2- HR

- i. Office closure and travel bans, using the most restrictive standards as a basis (between Belgium and UK), until the end of the confinement and the permission to travel again. Once office working was permitted again, this was strictly managed to avoid unnecessary contact.
- ii. Recognition of reduced productivity and flexibility around working rhythm to account for child-care, care for sick people within households, internet connectivity issues, lack of space to work from, anxiety etc.
- iii. Strong encouragement not to postpone leave, with no additional exceptions to the rule for maximum 8 carry over days in calendar year 2021.
- iv. Coordinated approach to granting leave to prevent multiple absence when business restarts.
- v. Encouragement to take time off/reduce working hours for those who might want it to take care of their family or those who have reduced workloads.
- vi. Update of HR policies, including: safeguarding policy, whistleblowing, bullying, and harassment.

Trustee's report Year to 30 June 2022

Risk management in light of COVID-19 (continued)

3- Finance and fundraising

i. Follow through on formulation of income targets by teams, by individuals and performance objectives related to fundraising.

ii. Formulation of new fundraising strategy which takes into account uncertainty through different scenarios.

4- Systems

i. Support on demand from IT officer for all staff who might struggle at home with their IT

ii. Use by default of Microsoft teams for all internal and external virtual meetings

5- Internal communications: providing clear information regarding business continuity and contingency measures, fulfilling our duty of care and fostering solidarity and unity

i. Note about office closures

ii. Regular notes to staff outlining key guidelines

iii. Regular management communications in writing

iv. Virtual all staff meetings on Monday

v. Virtual engagement through small working groups on strategy and action plan

The plan has been regularly updated when needed and internal communications from the Board and IEEP management to staff have been ensured on a monthly basis (or when needed to adapt to changes in restriction rules by the UK or Belgian governments).

Structure, governance and management

The Institute for European Environmental Policy, London ("IEEP") is a Company Limited by Guarantee and not having a share capital, and a registered charity. The charity's principal office is in London.

In accordance with the Articles of Association and provisions of the Companies Act 2006, Trustees/Directors are appointed by applying in writing to become members of the company, and are proposed for election, by the members, as a Director and a member either by ordinary resolution at a general meeting or by written resolution and appointed, if the resolution is agreed by a simple majority of those eligible to vote. Board Directors automatically become the charity's Trustees on appointment. Trustees/Directors generally serve for 4 to 6 years and are eligible for re-appointment.

Trustee's report Year to 30 June 2022

Structure, governance and management (continued)

There are currently four Trustees that maintain responsibility for the charity's strategy, financial, governance and risk management that meet at least four times per year. A Strategic Advisory Council (SAC) provides oversight on the environmental priorities of both IEEP London and IEEP AISBL.

The IEEP Trustees appoint the Executive Director of IEEP London and delegate to her (him) responsibility for selecting other staff and for the day-to-day management of the charity. The Trustees also appoint the Company Secretary. Details of the Trustees and officers are shown above.

Trustees are recruited as individuals who bring relevant skills and experience to the Board. Recruitment takes place via contacts in organisations that have environmental interests and expertise or more widely when a particular type of more general management experience is sought.

Induction of Trustees includes being provided with relevant information about the charity and briefings from the Chair of Trustees, the Executive Director of IEEP London and meetings with staff and other Trustees as appropriate. Trustee training is made available to those new to trusteeship and where new issues arise.

During the year the Boards of IEEP London and IEEP AISBL have taken advice on suitable governance arrangements in respect of the operation of IEEP London and IEEP AISBL. As a result, it has been identified that the Boards of the two organisations require to have both common and independent trustees.

Key management and setting their remuneration

Following the transfer of staff to IEEP AISBL during the year ended 30 June 2019, the key oversight and scrutiny functions were carried out for IEEP London by the Charity's Trustees, who are not remunerated.

Trustee's report Year to 30 June 2022

Relationships with Others

In the year, IEEP London had one significant associate institution being IEEP AISBL in terms of the Cooperation Agreement.

Much of IEEP London's work is sponsored by other charities, and the Trustees are extremely grateful to the following funders and clients for their support including: the John Ellerman Foundation, Land Use Policy Group, Greener UK, UK Centre for Hydrology & Ecology, the Climate Change Committee and World Wide Fund for Nature.

Fundraising

The charity does not carry out any public fundraising.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Trustee's report Year to 30 June 2022

Statement of Trustees' responsibilities (continued)

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

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant financial information of which the charitable company's independent examiner is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant financial information and to establish that the charitable company's independent examiner is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Independent Examiner

Buzzacott LLP was appointed as Independent Examiner. As independent examiner, Buzzacott LLP will automatically be deemed to be re-appointed under the provisions of the Companies Act 2006 until further notice.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102.

On behalf of the Board:

Malini Mehra
Chair



Date: 21 March 2023

Independent examiner's report Year to 30 June 2022

Independent examiner's report to the trustees of Institute for European Environmental Policy, London

I report to the charity trustees on my examination of the financial statements of the charitable company for the year ended 30 June 2022.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- .. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- .. the financial statements do not accord with those records; or
- .. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- .. the financial statements have not been prepared in accordance with the methods and principles of "Accounting and Reporting by Charities: the 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)".

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.



Edward Finch
Buzzacott LLP
Chartered Accountants
130 Wood Street
London EC2V 6DL

23 March 2023

Institute for European Environmental Policy, London
Statement of Financial Activities
(Incorporating the Summary Income and Expenditure Accounts)
For the year ended 30 June 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Year to 30.06.2022 £	Total Year to 30.06.2021 £
Income from:					
<i>Charitable Activities:</i>					
Grants and donations	1	63,950	-	63,950	-
Research projects	1	73,440	-	73,440	30,027
Other income	2	300	-	300	182,243
Total Income		<u>137,690</u>	<u>-</u>	<u>137,690</u>	<u>212,270</u>
Expenditure on:					
<i>Raising funds</i>					
Property rental costs	3	11,551	-	11,551	-
<i>Charitable Activities:</i>					
Research Projects	3	112,755	-	112,755	63,335
<i>Other expenses</i> - AISBL cross charge	3	50,745	-	50,745	-
Total Expenditure	3	<u>175,052</u>	<u>-</u>	<u>175,052</u>	<u>63,335</u>
Net Income / (Expenditure)		(37,362)	-	(37,362)	148,935
Other recognised gains and losses					
Net (losses) /gains on foreign exchange	12	<u>(10,685)</u>	<u>-</u>	<u>(10,685)</u>	<u>(11,502)</u>
Net Income/ (Expenditure) and net movement in funds for the year		<u>(48,047)</u>	<u>-</u>	<u>(48,047)</u>	<u>137,433</u>
Reconciliation of funds:					
Total Funds Brought Forward at 01.07.2021	12	<u>624,080</u>	<u>-</u>	<u>624,080</u>	<u>486,647</u>
Total Funds Carried Forward at 30.06.2022	12	<u><u>576,033</u></u>	<u><u>-</u></u>	<u><u>576,033</u></u>	<u><u>624,080</u></u>

All of the charity's activities derived from continuing operations during the above two financial periods.
All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 22 to 25 form part of these Financial Statements.

Details of comparative information split between funds is given on page 26.

Institute for European Environmental Policy, London

Balance Sheet as at 30 June 2022

	Note	As at 30.06.2022	As at 30.06.2022	As at 30.06.2021	As at 30.06.2021
		£	£	£	£
Tangible Fixed Assets	7		1,122		-
Current Assets					
Debtors	8	37,267		142,869	
Cash at bank	9	<u>604,636</u>		<u>524,764</u>	
Total current assets		641,903		667,633	
Liabilities:					
Creditors: Amounts falling due within one year	10	<u>(66,992)</u>		<u>(43,553)</u>	
Net Current Assets			<u>574,911</u>		<u>624,080</u>
Total net assets			<u>576,033</u>		<u>624,080</u>
The funds of the charity:					
Unrestricted Funds	12		<u>576,033</u>		<u>624,080</u>
Total charity funds			<u>576,033</u>		<u>624,080</u>

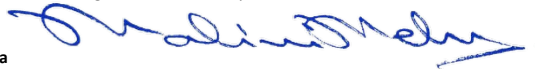
The financial statements have been prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006.

The members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Board and authorised for distribution on 21 March 2023 and signed on its behalf by:



Malini Mehra

Chair

The notes on pages 22 to 25 form part of these Financial Statements.

Institute for European Environmental Policy, London

Company registration number : 02458951 (England and Wales)

Institute for European Environmental Policy, London

Statement of Cash Flows for the year ended 30 June 2022

Statement of cash flows	12 months to 30.06.2022	12 months to 30.06.2021		
	£	£		
Net cash provided by (used in) operating activities	A 91,693	114,984		
Cash flows from investing activities:				
Interest, joint venture income and rents from investments	-	-		
Disposal of fixed assets	-	-		
Purchase of fixed assets	(1,136)	-		
Net cash provided by (used in) investing activities	<u>(1,136)</u>	<u>-</u>		
Change in cash and cash equivalents	<u><u>90,557</u></u>	<u><u>114,984</u></u>		
Cash and cash equivalents brought forward	524,764	421,282		
Change in cash and cash equivalents	90,557	114,984		
Change in cash and cash equivalents due to exchange rate movements	(10,685)	(11,502)		
Cash and cash equivalents carried forward note 10	<u><u>604,636</u></u>	<u><u>524,764</u></u>		
	12 months to 30.06.2022	12 months to 30.06.2021		
A Reconciliation of income to net cash flow from operating activities	£	£		
Net income for the year (as per the statement of financial activities)	(48,047)	137,433		
Adjusted for:				
Net gains on foreign exchange	10,685	11,502		
Depreciation	14	1,885		
Net income from joint venture	-	-		
Decrease (Increase) in debtors	105,602	99,979		
Increase (decrease) in creditors	23,439	(141,468)		
Increase (decrease) in provisions	-	-		
Loss on disposal of fixed assets	-	5,653		
Interest received	-	-		
Income from property	-	-		
Net cash provided by (used in) operating activities	<u>91,693</u>	<u>114,984</u>		
B Analysis of changes in net debt				
	2021	Cash flows	Other non-	2022
	£	£	cash changes	£
			£	
Cash at bank and in hand	524,764	90,557	(10,685)	604,636
Total cash and cash equivalents	<u><u>524,764</u></u>	<u><u>90,557</u></u>	<u><u>(10,685)</u></u>	<u><u>604,636</u></u>

The notes on pages 22 to 25 form part of these Financial Statements.

Institute for European Environmental Policy, London

Principal accounting policies

For the year ended 30 June 2022

Principal accounting policies 30 June 2022

Basis of preparation

The following principal accounting policies have been consistently applied in preparing these financial statements.

The Financial Statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these Financial Statements.

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014 and Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating the depreciation charge;
- ◆ Estimating the recoverability of debtors and determining any necessary provision for bad or doubtful debts;
- ◆ Estimating the liability for recovery of income by funders, as detailed in note 11; and
- ◆ Determining the basis for the allocation of support and governance costs across the charitable key areas of activity.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these Financial Statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these Financial Statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 30 June 2023, the most significant issues that affect the carrying value of the assets held by the charitable company are the availability of grants and funding from institutions, especially given the referendum decision in the United Kingdom regarding membership of the European Union.

Institute for European Environmental Policy, London

Principal accounting policies

For the year ended 30 June 2022

Income

Income is recognised when the Institute becomes entitled to the income, it is probable the amounts will be received and the amount can be measured with reasonable certainty.

Grant income is recognised in full when the Institute becomes entitled to the income unless it either relates to a grant for a specific future period or is a performance related grant.

Income receivable under performance related grants and contracts for services provided are recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred.

Grants are considered to be restricted where the donor attaches conditions to the use of funds and where the outcome will remain in the public domain. Research project income is where the funder is the principal recipient of the project findings and income is considered to be part of the core activities.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from property is recognised when it is earned by the charity under short term leasing arrangements.

Expenditure

All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably

All support costs, including governance costs, have been allocated to expenditure on charitable activities, which otherwise comprises expenditure on the charity's primary charitable purposes as described in the trustee's report.

A cross-charge is made annually between IEEP London and IEEP AISBL based on the relative proportion of each entity's core costs and income. The cross-charge shown in these financial statements is the value based on the available figures at the time that IEEP AISBL's audited accounts were finalised and therefore does not reflect year-end adjustments made to the IEEP London figures. The difference arising as a result of this will be adjusted in the coming year.

Foreign Currencies

Transactions during the year in foreign currencies have been translated into sterling at an average rate for the period and closing balance sheet year end balances have been revalued at the exchange rate ruling at that date where applicable. All differences on exchange are reflected in the Statement of Financial Activities. A designated reserve has been set up as part of the unrestricted funds to recognise the possibility that exchange gains may be reversed in future periods.

Institute for European Environmental Policy, London

Principal accounting policies

For the year ended 30 June 2022

Pension Scheme Arrangements

The company makes contributions to personal money purchase pension schemes for each eligible employee, the assets of the schemes being held separately from the assets of the company. The pension cost charge represents contributions payable to the schemes. Where employees prefer to make contributions to their own schemes additional remuneration is paid to enable them to be treated on an equal basis. These additional payments are included in gross pay in note 3. The charity employed 1 member of staff during the year ended 30 June 2022.

Tangible fixed assets

Tangible fixed assets costing more than £100 are capitalised at cost. All fixed assets relate to computer equipment. Depreciation is provided on a basis which will write off the cost of fixed assets over their estimated useful lives by equal annual instalments. The estimated life of the fixed assets is four years.

Stocks

No value has been ascribed to the stocks of publications on the basis that the majority of these are given away and it is therefore considered prudent to account for all production costs in the period they were incurred.

Fund Accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are those where the Trustees have set funds aside for particular purposes.

Debtors

Debtors are recognised at their settlement amount, less any provision for non recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Institute for European Environmental Policy, London
Notes to the Financial Statements (continued)
For the year ended 30 June 2022

1 Income from Charitable Activities

	Unrestricted funds	Restricted funds	Year to 30.06.2022 £	Year to 30.06.2021 £
Research Projects	73,440	-	73,440	30,027
Grants & Donations	63,950	-	63,950	-
	<u>137,390</u>	<u>-</u>	<u>137,390</u>	<u>30,027</u>

All amounts in 2021 related to unrestricted funds

2 Other income

	Year to 30.06.2022 £	Year to 30.06.2021 £
Cross charge due from AISBL	-	182,243
Bank Compensation received	300	-
Exchange rate gain	-	-
	<u>300</u>	<u>182,243</u>

3 Total Expenditure

	Year to 30.06.2022 Total £	Year to 30.06.2021 Total £
Direct project costs	2,310	5,336
AISBL recharge	50,745	-
Staff costs	61,107	-
Property occupancy costs:		
- operating leases	10,473	71,694
- other	1,078	2,553
Telephone, postage, copying and stationery:	799	203
Auditors remuneration:		
- current year	6,975	6,975
- in respect of prior year	8,339	17,240
- accountancy and other assurance services	9,730	12,475
Legal and professional	7,532	-
Depreciation	14	1,885
Loss on disposal of fixed assets	-	5,653
IT and computer support	6,699	8,985
Bad debt	-	9,893
Other costs	9,251	(79,557)
Total other costs	<u>175,052</u>	<u>63,335</u>

The cross charge due to AISBL is an annual calculation reflecting the level to which IEEP London and AISBL provide services to one another as part of achieving their charitable activities. This year's figure was a debit against IEEP London of £50,745 (2021 - credit in favour of IEEP London of £182,243). This is made up of a 21/22 cross charge of £138,921 and a credit note, against the 19/20 cross charge, of £88,176

Aside direct project costs, all other costs constitute support costs, and are in respect of the provision of charitable activities

Institute for European Environmental Policy, London
Notes to the Financial Statements (continued)
For the year ended 30 June 2022

4 Employee information

	Headcount		Full time equivalents	
	Year to 30.06.2022	Year to 30.06.2021	Year to 30.06.2022	Year to 30.06.2021
	No.	No.	No.	No.
The average number of employees (Full time equivalents) during the period was:				
Finance and administration	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
		Year to 30.06.2022	Year to 30.06.2021	
The total costs of these employees were:		£	£	
Wages and salaries		52,414	-	
Social Security costs		5,660	-	
Pension		3,033	-	
		<u>61,107</u>	<u>-</u>	
Total staff costs		<u>61,107</u>	<u>-</u>	

Total remuneration (including social security and pensions costs) of the key management team comprising the Executive Director and the Executive Management Group were: year to 30.06.2022 £nil (year to 30.6.2021: £nil).

5 Transactions with Trustees

The Directors, who are also the Trustees for the charitable activities of the Institute, received no remuneration for services rendered during the year. Properly approved expenses were incurred relating to 1 Trustee in respect of their duties as trustees of the charity in the year totalling £206 (year to 30.06.2021 - £Nil). These expenses covered travel, accommodation and subsistence associated with attending Board meetings and Finance Committee meetings and other meetings associated with Governance in London and Brussels. Some of these expenses were incurred directly by IEEP, others were reimbursed to the Directors.

6 Taxation

The company is taking advantage of the reliefs available for registered charities from tax charges and therefore no provision for taxation has been made.

7 Tangible Fixed Assets

	Furniture & Equipment
	£
Cost	
Brought forward at 1 July 2021	-
Additions	1,136
Disposals	<u>-</u>
Carried forward at 30 June 2022	<u>1,136</u>
Depreciation	
Brought forward at 1 July 2021	-
Charge for the year	14
Eliminated on Disposal	<u>-</u>
Carried forward at 30 June 2022	<u>14</u>
Net Book Value	
At 30 June 2022	<u><u>1,122</u></u>
At 30 June 2021	<u><u>-</u></u>

All assets are in use for charitable purposes.

Institute for European Environmental Policy, London
Notes to the Financial Statements (continued)
For the year ended 30 June 2022

8 Debtors

	As at 30.06.2022	As at 30.06.2021
	£	£
Trade debtors	28,458	-
Prepayments and accrued income	4,128	-
Cash advance to joint venture	-	895
Intercompany accrual balances with IEEP AISBL	-	140,246
VAT debtor	4,681	1,257
Other debtors	-	471
	<u>37,267</u>	<u>142,869</u>

All amounts fall due within one year.

9 Cash at Bank

	As at 30.06.2022	As at 30.06.2021
	£	£
Bank	604,598	524,260
Bank balance held on behalf of 3rd party IEEP AISBL	38	504
	<u>604,636</u>	<u>524,764</u>

10 Creditors: Amounts falling due within one year

	As at 30.06.2022	As at 30.06.2021
	£	£
Trade creditors	7,702	22,578
Intercompany balances with IEEP AISBL	38,452	-
Accruals	20,838	20,975
	<u>66,992</u>	<u>43,553</u>

Institute for European Environmental Policy, London
Notes to the Financial Statements (continued)
For the year ended 30 June 2022

11 Financial Commitments

The company is committed to making the following operating lease payments over the life of the leases.

	As at 30.06.2022 Property	As at 30.06.2021 Property	As at 30.06.2022 Equipment	As at 30.06.2021 Equipment
Property and equipment leases: amounts payable over the remaining life of the leases				
	£	£	£	£
Up to one year	-	3,294	-	-
One to five years	-	-	-	-
Total	<u>-</u>	<u>3,294</u>	<u>-</u>	<u>-</u>

12 Unrestricted Funds

	Balance at 01.07.2021 £	Income & other gains £	Expenditure £	Funds transfers £	Balance at 30.06.2022 £
Unrestricted Reserves	604,080	137,690	(175,052)	(10,685)	556,033
Designated Foreign Exchange Fund	20,000	(10,685)	-	10,685	20,000
Total Unrestricted Funds	<u>624,080</u>	<u>127,005</u>	<u>(175,052)</u>	<u>-</u>	<u>576,033</u>

Designated Foreign Exchange Fund

The Institute reports in Sterling but conducts its operations in Euros, Sterling, US Dollars and other currencies and accounts for foreign exchange gains and losses which may arise on those transactions during the year. In addition the Institute re-values its bank, creditor and debtor balances denominated in currency at 30 June each year at the year end conversion rate to Sterling. The Trustees have decided that they would like to continue to designate a foreign exchange fund given the uncertainties in exchange rates. The balance designated at 30.06.2022 is £20,000

13 Restricted Funds

The restricted funds all relate to projects carried out as part of the core work. No amounts remained unspent at 30 June 2022 (30 June 2021: £nil).

14 Legal status

Institute for European Environmental Policy, London is a company limited by guarantee, and not having a share capital, governed by its Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the company, if it is wound up, a sum not exceeding £1. At 30 June 2022 the company had 4 members (2021 - 4). The company is a registered charity number 802956

15 Related Party Transactions

At the year end, £38,452 (2021– £140,246 due from AISBL) was due to AISBL.

Following the transfer of the charity's staff to IEEP AISBL, the charities adopted a cross charging arrangement designed to fairly allocate the costs for the provision of office space, IT facilities and administrative services between the two organisations. The result of this was an accrual for a charge from IEEP AISBL to IEEP London of £138,921 (2021 – £275,070). The 2022 charge of £50,745 comprises £138,921 for the 2022 financial year and a credit note of £88,176 relating to the cross charge for the 2020 financial year.

Institute for European Environmental Policy, London
Statement of Financial Activities
(Incorporating the Summary Income and Expenditure Accounts)
For the year ended 30 June 2021

16 Comparative statement of financial activities

	Note	Unrestricted Funds £	Restricted Funds £	Total Year to 30.06.2021 £
Income from:				
<i>Charitable Activities:</i>				
Grants and donations		-	-	-
Research projects		30,027	-	30,027
Other income		182,243	-	182,243
Total Income		<u>212,270</u>	<u>-</u>	<u>212,270</u>
Expenditure on:				
<i>Raising funds</i>				
Property rental costs		-	-	-
<i>Charitable Activities:</i>				
Research Projects		63,335	-	63,335
Total Expenditure		<u>63,335</u>	<u>-</u>	<u>63,335</u>
Net Income / (Expenditure)		148,935	-	148,935
Other recognised gains and losses				
Net (losses) /gains on foreign exchange		(11,502)	-	(11,502)
Net Income/ (Expenditure) and net movement in funds for the year		137,433	-	137,433
Reconciliation of funds:				
Total Funds Brought Forward at 01.07.2020		486,647	-	486,647
Total Funds Carried Forward at 30.06.2021		<u>624,080</u>	<u>-</u>	<u>624,080</u>

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY, LONDON

England & Wales - Charity number 802956

Accounts

**Institute for European
Environmental Policy,
London** also trading as:



**Annual Report and Financial
Statements**

30 June 2021

Company Limited by Guarantee
Registration Number
2458951 (England and Wales)

Charity Registration Number
802956

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report on the financial statements	12

Financial statements

Statement of financial activities incorporating income and expenditure account	17
Balance sheet	18
Statement of cash flows	19
Principal accounting policies	20
Notes to the financial statements	24

Trustees	Herman Wolters (Chair to April 2022) Malini Mehra (appointed 7 August 2020) (Chair from April 2022) Patricia Henton Dale Chadwick (resigned 1 March 2021) Adam Gillingham David Stanners (appointed 26 April 2022) John Harman (resigned 8 December 2020)
Registered address	IEEP Offices – 25 EP 25 Eccleston Place London SW1W 9NF
Company registration number	2458951
Charity registration number	802956
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank Tavistock House Tavistock Square London WC1H 9XA
Solicitors	Bates Wells and Braithwaite LLP 10 Queen Street Place London EC4R 1BE

The Institute for European Environmental Policy, London (trading as the Institute for European Environmental Policy or IEEP) is a registered charity and not-for-profit company limited by guarantee and, as such, is governed by its Memorandum of Association and Articles of Association. Directors, who are also the charitable Trustees, present their report together with the audited financial statements for the year ended 30 June 2021, which have been prepared in accordance with current statutory requirements; the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objects and policies of the Charity

The Institute is a leading environmental sustainability think tank for the analysis and development of environmental and related policies in Europe. The objects are to advance the education of the public in the protection of the environment in the continent of Europe and in all forms of national and international policy relating thereto, and to carry out research and enquiry into all aspects of the environment and environmental policy.

These objects are achieved by all appropriate means, including research, the provision of advisory services and preparation of commissioned reports, the organisation of conferences and training courses, and the publication of manuals and other books, reports, articles and newsletters, utilising both digital and paper media.

Aims and activities

Following the vote in the UK Referendum that the UK would cease to be a member of the European Union, the Board of the Institute reviewed the sources of income of the organisation and identified that these at the time were mainly from bodies based on mainland Europe, including the European Commission and European Parliament. The Board recognised that the Institute, as a UK based entity, would be unlikely to be eligible to bid for such funding which would have a major impact on income flows. The Board of the Institute resolved that in order to be able to continue its charitable purposes, it would establish IEEP AISBL as an independent, not for profit entity based in Brussels with similar objects to those of the Institute. In order to facilitate this, the Institute undertook a partial transfer of assets to IEEP AISBL in January 2019.

In light of the shared objectives of the Institute and IEEP AISBL, the Boards of the two entities agreed to the principle that there would be full cooperation between the two entities and that, where possible, each would assist the other with regards to financial and other operating matters arising from time to time and in furtherance of that, a formal Collaboration Agreement was entered into in January 2019 for an initial duration of three years. In terms of the Collaboration Agreement, the expectation is that the Institute focuses mainly, but not exclusively, on the UK and where appropriate, the rest of the World and IEEP AISBL on work and projects within the European Union, but again not exclusively.

Aims and activities (continued)

The period following on from the partial transfer has proved to be a period of transition and consolidation for the Institute, including the securing of a new head of the Institute's London office / head of environmental policy who took up that role in July 2021, and is employed by IEEP London. The Institute continues to focus on key environmental policy issues and advise on impacts on Europe-wide and UK environmental issues that arise as a result of the UK's Exit from the European Union.

IEEP London continues to support the IEEP AISBL's central aim for 2020-22 to contribute to ensuring that Europe's Green Deal and post-2020 agenda is designed and implemented to kick start a transition towards sustainable living within the means of our planet and in line with the Sustainable Development Goals (SDGs).

The combined contribution supports evidence-based decision-making for European sustainability policies and to harness knowledge for strategic change

IEEP London moved its office from 11 Belgrave Rd, Pimlico, London SW1V 1RB, United Kingdom to 25 EP, 25 Eccleston Place, Victoria, London SW1W 9NF on 1st of April 2021.

IEEP London continues to focus on key environmental policy issues, including agriculture, biodiversity and land use, low-carbon circular economy, sustainable consumption, innovation for sustainability, water, marine & fisheries, natural resources and waste and environmental policy and governance. Specific work included:

- ◆ Throughout the year the institute contributed actively to analysis and discussion of the new forms of environmental governance systems being put into place in the UK and key items of legislation, including the Environment Bill and Internal Market Bill. We were represented on the Stakeholder Group advising on the development of the Office of Environmental Protection and a number of stakeholder exchanges and group discussions convened by Defra for example in relation to UK policy on trade and the environment and the Trade and Cooperation Agreement with the EU. David Baldock (Senior Fellow & former Director of The Institute) provided advice to the Board of Greener UK and its governance working group and fed into discussions organised by think tanks, the Broadway Group and others. He spoke at or facilitated several webinars on related topics such as the introduction of environmental principles into UK law, the use of environmental policy targets in forthcoming legislation and the relationship between the Environment Bill and the Agriculture Act, at an event organised by the UK Environmental Law Association. He was invited to contribute reflections at meetings of EU environmental attaches from European countries on two occasions.
- ◆ Quarterly overviews of policy developments in different parts of the UK and the EU with a particular bearing on future rural land use and agriculture were provided for a group of statutory agencies forming the Land Use Policy Group. These were supplemented by presentations at meetings and a separate analysis and presentation of the key environmental issues for a future roadmap for a long-term vision for rural areas in the EU.

Aims and activities (continued)

- ◆ With increasing environmental ambitions for agriculture and land management in the UK there are growing concerns about whether these are well integrated with emerging trade policy and a rapid programme of new Free Trade Agreements. There is potential for agricultural imports from countries with lower environmental standards and associated competitive advantages to increase, so threatening the livelihood of domestic producers and the efficacy of the environmental standards themselves. Various policy approaches to addressing this problem are being discussed actively. The Institute contributed a paper on this topic with funds from Client Earth and WWF, assessing the risks and opportunities and focusing particularly on the role of core environmental standards that would apply to imports as well as domestic producers¹. One of the first papers on this aspect of policy it is leading to further work in 2021/2022.

- ◆ Towards the end of the period new projects were under development, including one on the nature and significance of future divergence in environmental policy in the UK following Brexit. This will be a new era for environmental policy in the UK. The project will consider how far the expected divergence between the four countries of the UK and between it and the EU is taking place, in which areas and its environmental consequences. Some see this as a welcome opportunity to tailor policy more to local requirements and aspirations while others fear it is a potential step towards lower standards and deregulation. The aim is to build the evidence on which to make such judgements and to engage with key stakeholders and the policy community.

Review of the period

Achievements and financial performance in 2020/2021

The Collaboration Agreement has ensured an ongoing collaboration between the Institute and IEEP AISBL, allowing for the realisation of projects as well as cost sharing of staff and facilities.

The following are highlights of work carried out in collaboration with IEEP AISBL, working for objectives of our FY20-21 strategy:

- ◆ Land Use Policy Group– working for NatureScot on behalf of the UK's environmental agencies, IEEP provides advisory services on a range of thematic based topics in the agriculture, rural and land use area.

- ◆ Review of a The Economics of Ecosystems and Biodiversity (TEEB) Scoping Study focused on Georgia.

- ◆ Environmental Standards on Food Imports

- ◆ Adaptation Strategy and contributions to a European funded framework contract.

¹ IEEP, <https://ieep.eu/publications/environmental-standards-for-uk-agriculture-in-a-new-trade-policy-framework>, accessed 22.11.21

Review of the period (continued)

Achievements and financial performance in 2020/2021 (continued)

The total gross income of our 2020/21 projects is £30,027 , along with a cross charge from AISBL of £182,243

Objectives, aims and plans for future periods

IEEP London's central aim for 2021-22 will be to re-establish itself in the UK in particular by re-building relations with partners, revitalising its client base and delivering a compact yet punchy programme of projects that contribute to IEEP's overall vision and strategy.

Since the UK's Exit from the European Union, as anticipated, a significant portion of the Institute's work programme carried out from London on mainland Europe has ended. This is shown in the relative changes in the profit and loss and balance sheet. However, commitment by the Institute's Board to invest in the Institute's business is seen through the hiring of the new Head of London Office -/ Head of Environmental Policy and their minuted statements of intent.

A key aim for 2021/22 will be to implement projects around the regulatory divergence that is ongoing between the European Union and the UK since 01 January 2021. This work will be part funded through the Institute's strategic reserves as well as through foundation funding from outside.

A new Strategy for the Institute's business is expected to be approved at the IEEP Board meeting in December 2021 signalling yet further ambition and intention to grow and develop in a new setting working alongside IEEP AISBL and its partners in the European Union.

Going beyond 2022, the Institute will look to consolidate and expand its work programme. It aims to find further foundation funding to support its core activities so that it can achieve its core objectives.

For the financial year 2021-22 the forecasts foresee an income of €1,604,675 and expenditure of €2,085,675, resulting in a deficit of €480,827.

Public benefit

The Trustees confirm that they have complied with section 17 (5) of the Charities Act 2011 and have had due regard to the Charity Commission general guidance on public benefit. The Institute believes that its independent work helps to inform those developing and implementing European policy in such a way that the results are to the benefit of the public as a whole as well as the environment. A large and growing number of our reports are freely available on our website, the accessibility of which we seek to improve progressively over time.

Financial review

The Institute's funds have been applied in furtherance of the company's objects, as detailed above.

In accordance with the rules governing partial transfers of undertaking between UK and overseas charities, the IEEP London board was given full access to the budget, the accounts of the AISBL as well the auditor's report, ensuring that funds transferred to the AISBL were used in accordance with the charitable mandate of IEEP London.

Total gross income in the year to 30 June 2021 was £212,270

The net movement in funds for the period, after taking in gains and losses on foreign exchange was net income of £63,335

At 30 June 2021, total funds stood at £824,080. This is considerably in excess of the amount required under the reserves policy below but will be kept under review as the Institute transitions into its new operating model.

The Trustees are of the opinion that the assets of the charity at the accounting date are available and adequate, within the normal commercial meaning attributed to those words, to fulfil the obligations of the charity.

Reserves policy

The Trustees consider that it is appropriate for the Institute to hold reserves to fund work in progress and as a guard against the risk of an uneven flow of income. The need to fund work in progress is particularly important as the Institute is subject to fluctuations in cash flow arising from the payment arrangements under contracts with different clients. To that end, the Trustees believe the reserves of IEEP London must be maintained at a level to cover at least 6 months of expenditure. Whilst the trustees acknowledge that the level of reserves is currently higher than the 6 month target, given that the charity is a stage of transition, the amount of reserves held is appropriate.

Treasury management policy

The Institute operates principally in Sterling and Euros and has a policy of minimising the risk of adverse exchange rate fluctuations and the cost of transfer by retaining balances in either Sterling or Euros in their original currency for use in paying expenses in that currency to the extent required. Where possible any surplus balances are placed in interest bearing bank deposit accounts.

The Institute seeks to minimise exposure to currency risks in contracts by having sub-contract payments denominated in the currency of the main contract wherever possible and by taking other measures to secure exchange rates in advance where this is felt to be prudent.

Risk management of COVID-19 measures

A risk assessment and management exercise encompassing the strategic direction, operations, finances and staffing of the Institute has been carried out and reviewed by the

Trustees. They are satisfied that the major risks to which the charity is exposed have been identified and reviewed and that systems are in place to mitigate the Institute's exposure to the major risks it faces. The Trustees review risks annually as part of an on-going process.

Risk management of COVID-19 measures (continued)

The Covid-19 crisis and its consequences were taken into account since the beginning of the first lockdown in March 2020. The Board was reassured about the practical solutions found in order to facilitate interactions between the London and Brussels offices during Coronavirus crisis time.

The Board considered that the risks and challenges were rightly identified internally and externally in the report presented to the Board in April 2019 and continued to be the same for this financial year. These measures applied to UK-based IEEP AISBL staff who used the premises of IEEP London or worked on activities related to the Institute as per the provisions of the collaboration agreement. As last year, the measures included:

1. Contingency planning around project delivery and other key processes

- i. Organisation-wide risk assessment and mitigation for all projects with major deliverables until the end of June.
- ii. Coordinated response to enquiries by funders (foundations) and clients (EC, private sector, NGOs) around potential delays.
- iii. Ensuring continuity of business around contract and other signatures of official documents as well as mail monitoring.

2. HR

- i. Office closure and travel bans, using the most restrictive standards as a basis (between Belgium and UK), until the end of the confinement and the permission to travel again.
- ii. Recognition of reduced productivity and flexibility around working rhythm to account for child-care, care for sick people within households, internet connectivity issues, lack of space to work from, anxiety etc.
- iii. Strong encouragement not to postpone leave, with no additional exceptions to the rule for maximum 8 carry over days in calendar year 2021.
- iv. Coordinated approach to granting leave to prevent multiple absence when business restarts.
- v. Encouragement to take time off/reduce working hours for those who might want it to take care of their family or those who have reduced workloads.
- vi. Strong HR policies update ongoing. Among others; safeguarding policy, whistleblowing, bullying, and harassment.

Risk management of COVID-19 measures (continued)

3. Finance and fundraising

- i. Follow through on formulation of income targets by teams, by individuals and performance objectives related to fundraising.
- ii. Formulation of new fundraising strategy which takes into account uncertainty through different scenarios.

4. Systems

- i. Support on demand from IT officer for all staff who might struggle at home with their IT.
- ii. Use by default of Microsoft teams for all internal and external virtual meetings.

5. Internal communications: providing clear information regarding business continuity and contingency measures, fulfilling our duty of care and fostering solidarity and unity

- i. Note about office closures
- ii. Regular notes to staff outlining key guidelines
- iii. Regular EMG communications in writing
- iv. Virtual all staff meetings on Monday
- v. Virtual engagement through small working groups on strategy and action plan

The plan has been regularly updated when needed and internal communications from the Board and IEEP management to staff have been ensured on a monthly basis (or when needed to changes in restriction rules by the UK or Belgian government).

Structure, governance and management

The Institute for European Environmental Policy, London ("IEEP") is a Company Limited by Guarantee and not having a share capital, and a registered charity. The charity's principal office is in London.

In accordance with the Articles of Association and provisions of the Companies Act 2006, Trustees/Directors are appointed by applying in writing to become members of the company, and are proposed for election, by the members, as a Director and a member either by ordinary resolution at a general meeting or by written resolution and appointed, if the resolution is agreed by a simple majority of those eligible to vote. Board Directors automatically become

the charity's Trustees on appointment. Trustees/Directors generally serve for 4 to 6 years, and are eligible for re-appointment.

Structure, governance and management (continued)

There are currently four Trustees that maintain responsibility for the charity's strategy, financial, governance and risk management that meet at least four times per year. A Strategic Advisory Council (SAC) provides oversight on the environmental priorities of both the Institute and IEEP AISBL.

All Board members (IEEP London Trustees plus IEEP's AISBL's Directors) appoint the Executive Director of the Institute and delegate to her (him) responsibility for selecting other staff and for the day-to-day management of the charity. The Trustees also appoint the Company Secretary. Details of the Trustees and officers are shown above.

Trustees are recruited as individuals who bring relevant skills and experience to the Board. Recruitment takes place via contacts in organisations that have environmental interests and expertise or more widely when a particular type of more general management experience is sought.

Induction of Trustees includes being provided with relevant information about the charity and briefings from the Chair of Trustees, the Director of the Institute and meetings with staff and other Trustees as appropriate. Trustee training is made available to those new to trusteeship and where new issues arise.

During the year the Board has taken advice on suitable governance arrangements in respect of the operation of IEEP London and IEEP AISBL. As a result, the Board has identified the need for the Boards of the two organisations to have both common and independent trustees.

Key management and setting their remuneration

Following the transfer of staff to IEEP AISBL during the year ended 30 June 2019, the key oversight and scrutiny functions were carried out for IEEP London by the Charity's Trustees, who are not remunerated.

Relationships with Others

In the year, the Institute had one significant associate institution being IEEP AISBL in terms of the Collaboration Agreement.

Much of the Institute's work is sponsored by other charities, and the Trustees are extremely grateful to the following funders and clients for their support including: Scottish Natural Heritage, Sustainability First and Ricardo Energy & Environment.

Fundraising

The charity does not carry out any public fundraising.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Statement of Trustees' responsibilities (continued)

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


Auditor

Buzzacott LLP was appointed as auditor. As auditor in office, Buzzacott LLP will automatically be deemed to be re-appointed under the provisions of the Companies Act 2006 until further notice.

Small Companies Exemption

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with FRS 102.

On behalf of the Board:



Malini Mehra

Chair

Date: 21/06/2022

Independent auditor's report to the members of Institute for European Environmental Policy, London

Opinion

We have audited the financial statements of Institute of European Environmental Policy, London (the 'charitable company') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at [date] and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation, anti-bribery, employment, health and safety legislation.
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Reviewed in detail the basis for the cross charge and any material intercompany balances.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the company's legal advisors

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London

EC2V 6DL



Statement of financial activities (including income and expenditure account) Year to 30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income from:					
Charitable activities:					
. Grants and donations	1	—	—	—	11,390
. Research projects		30,027	—	30,027	176,426
Other income	2	182,243	—	182,243	13,205
Total		212,270	—	212,270	201,021
Expenditure on:					
Raising funds:					
Charitable activities:					
. Research projects	3	63,335	—	63,335	244,946
Total		63,335	—	63,335	244,946
Net expenditure before other recognised gains and losses		148,935	—	148,935	(43,925)
Other recognised gains and losses					
Net gains on foreign exchange		(11,502)	—	(11,502)	8,362
Net (expenditure) income and net movement in funds for the year		137,433	—	137,433	(35,563)
Reconciliation of funds					
Total fund balances brought forward at 1 July 2020	11,12	486,647	—	486,647	522,210
Total fund balances carried forward at 31 June 2021	11,12	624,080	—	624,080	486,647

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 24 to 30 form part of these financial statements.

Details of comparative information split between funds is given on page 30.

Balance sheet 30 June 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	8		—		7,538
Current assets					
Debtors	9	142,869		242,848	
Cash at bank and in hand		524,764		421,282	
		667,633		664,130	
Liabilities					
Creditors: amounts falling due within one year	10	(43,553)		(185,021)	
Net current assets			624,080		479,109
Total net assets			624,080		486,647
Funds of the charity					
Unrestricted funds	12		624,080		486,647
Total funds			624,080		486,647

The financial statements have been prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board and authorised for distribution and signed on its behalf by

**Malini Mehra**

Chair

Date: 21/06/2022

Institute for European Environmental Policy, London
Company Limited by Guarantee
Registration Number: 2458951 (England and Wales)

The notes on pages 24 to 30 form part of these financial statements.

Statement of cash flows Year to 30 June 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities			
Net cash provided by (used in) operating activities	A	114,984	140,187
Cash flows from investing activities			
Purchase of fixed assets		—	(1,195)
Net cash (used in) provided by investing activities		—	(1,195)
Change in cash and cash equivalents in the year		114,984	138,992
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents brought forward		421,282	273,928
Change in cash and cash equivalents		114,984	138,992
Change in cash and cash equivalents due to exchange rate movements		(11,502)	8,362
Cash and cash equivalents carried forward	B	524,764	421,282

A Reconciliation of income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per the statement of financial activities)	137,433	(35,563)
Adjusted for:		
Net gains on foreign exchange	11,502	(8,362)
Depreciation	1,885	14,637
Decrease in debtors	99,979	555,055
Decrease in creditors	(141,468)	(385,580)
Loss on disposal of fixed assets	5,653	—
Net cash provided by (used in) operating activities	114,984	140,187

B Analysis of changes in net debt

	2020 £	Cash flows £	Other non-cash changes £	2021 £
Cash at bank and in hand	421,282	114,985	(11,502)	524,764
Total cash and cash equivalents	421,282	114,985	(11,502)	524,764

Basis of preparation

The following principal accounting policies have been consistently applied in preparing these financial statements.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating the depreciation charge;
- ◆ Estimating the proportion of income to be recognised in respect of ongoing projects;
- ◆ Estimating the recoverability of debtors and determining any necessary provision for bad or doubtful debts; and
- ◆ Estimating the proportion of costs to be recharged between IEEP AISBL and IEEP London (please see the expenditure section below for further details).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

In considering the future of the charity, the Charity's Trustees have committed to support the growth of IEEP London to enable it to operate independently over time. They have appointed additional staff to the charity and committed to the retention of sufficient resources within IEEP London to enable this to happen.

Assessment of going concern (continued)

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and as such, have prepared the statutory financial statement on this basis. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 30 June 2022, the most significant issue that affects the carrying value of the assets held by the charitable company will be the availability of grants and funding from institutions.

Income recognition

Income is recognised when the Institute becomes entitled to the income, it is probable the amounts will be received and the amount can be measured with reasonable certainty.

Grant income is recognised in full when the Institute becomes entitled to the income unless it either relates to a grant for a specific future period or is a performance related grant.

Income receivable under performance related grants and contracts for services provided are recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred.

Grants are considered to be restricted where the donor attaches conditions to the use of funds and where the outcome will remain in the public domain. Research project income is where the funder is the principal recipient of the project findings and income is considered to be part of the core activities.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All support costs, including governance costs, have been allocated to expenditure on charitable activities, which otherwise comprises expenditure on the charity's primary charitable purposes as described in the trustees' report.

A cross-charge is made annually between IEEP London and IEEP AISBL based on the relative proportion of each entity's core costs and income. The cross-charge shown in these financial statements is the value based on the available figures at the time that IEEP AISBL's audited accounts were finalised and therefore does not reflect year-end adjustments made to the IEEP London figures. The difference arising as a result of this will be adjusted in the coming year.

Foreign currencies

Transactions during the year in foreign currencies have been translated into sterling at an average rate for the period and closing balance sheet year end balances have been revalued at the exchange rate ruling at that date where applicable. All differences on exchange are reflected in the Statement of Financial Activities. A designated reserve has been set up as part of the unrestricted funds to recognise the possibility that exchange gains may be reversed in future periods.

Pension Scheme arrangements

During the year ended 30 June 2021, the company made contributions to personal money purchase pension schemes for each eligible employee, the assets of the schemes being held separately from the assets of the company. The pension cost charge represents contributions payable to the schemes. Where employees preferred to make contributions to their own schemes additional remuneration is paid to enable them to be treated on an equal basis. These additional payments are included in gross pay in note 3. The charity employed no staff during the year ended 30 June 2021.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised at cost. All fixed assets relate to furniture and equipment.

Depreciation is provided on a basis which will write off the cost of fixed assets over their estimated useful lives by equal annual instalments. The estimated life of the fixed assets is four years.

Stocks

No value has been ascribed to the stocks of publications on the basis that the majority of these are given away and it is therefore considered prudent to account for all production costs in the period they were incurred.

Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are those where the Trustees have set funds aside for particular purposes.

Debtors

Debtors are recognised at their settlement amount, less any provision for non recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

1 Income from Charitable Activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Research Projects:			
Scottish Natural Heritage	14,379	—	14,379
Sustainability First	1,350	—	1,350
Ricardo Energy & Environment	11,555	—	11,555
Other	2,743	—	2,743
	30,027	—	30,027
	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>2020 Total funds</i> £
Grants and Donations Receivable:			
<i>International Federation of Organic Agriculture Movements</i>	—	11,390	11,390
	—	11,390	11,390

2 Other income

	Total 2021 £	Total 2020 £
Cross Charge due from AISBL	182,243	—
Other income	—	13,205
Total other income	182,243	13,205

The cross charge due from AISBL is an annual calculation reflecting the level to which IEEP London and AISBL provide services to one another as part of achieving their charitable activities. This year's figure was a credit in favour of IEEP London (2020 - £124,664 expenditure)

3 Total Expenditure

	2021 Total funds £	2020 Total funds £
Direct project costs (including AISBL recharge)	5,336	124,644
Property occupancy costs:		
. operating leases	71,694	25,948
. other	2,553	26,246
Telephone, postage, copying and stationery	203	5,591
Auditor's remuneration		
. current year	6,975	8,500
. prior year	17,240	—
. Non-audit services	12,475	2,130
Legal and professional	—	1,345
Depreciation	1,885	14,637
Loss on disposal of fixed assets	5,653	—
IT and computer support	8,985	38,643
Bad debt written off	9,893	—
Other costs (including travel reimbursements)	(79,557)	(2,738)
Total other costs	63,335	244,946

Aside direct project costs, all other costs constitute support costs, and are in respect of the provision of charitable activities. Included within Other costs is a credit for items owed by AISBL for £92,827 as part of reconciling the intercompany balances.

4 Net (expenditure) income

This is stated after charging:

	Total 2021 £	Total 2020 £
Staff costs (note 5)	—	—
Auditor's remuneration		
. Current year	6,975	8,500
. Prior year	17,240	—
. Non-audit services	12,475	2,130
Depreciation	1,885	14,637
Operating lease rentals		
. Land and buildings	—	25,948

5 Employee information

Wages and salaries were nil during the year (2020 – nil) – the cost of staff is part of the recharge arrangement with AISBL.

The Key management personnel for the year ended 30 June 2021 consisted solely of the Trustees and was therefore £nil (2020 – nil). Transactions with the trustees are set out in note 5, below.

6 Transactions with trustees

The Trustees received no remuneration for services rendered during the year. No expenses were incurred in the year totaling £nil (2020 – expenses relating to 1 Trustee were incurred, amounting to £284). These expenses covered travel, accommodation and subsistence associated with attending Board meetings and Finance Committee meetings and other meetings associated with Governance in London and Brussels. Some of these expenses were incurred directly by IEEP, others were reimbursed to the Directors.

7 Taxation

The company is taking advantage of the reliefs available for registered charities from tax charges and, therefore, no provision for taxation has been made.

8 Tangible fixed assets

	Furniture & equipment £
Cost	
Brought forward at 1 July 2020	163,454
Disposals	(163,454)
Carried forward at 30 June 2021	—
Depreciation	
Brought forward at 1 July 2020	155,916
Charge for the year	1,885
Eliminated on disposal	(157,801)
Carried forward at 30 June 2021	—
Net book value	
At 30 June 2020	7,538
At 30 June 2021	—

All fixed assets held by IEEP London were disposed of as part of a move between London offices in March 2021.

9 Debtors

	2021 £	2020 Restated £
Trade debtors	—	175,327
Prepayments and accrued income	—	47,276
IEEP AISBL debtor accounts	140,246	—
VAT debtor	1,257	4,517
Other debtors	1,366	15,728
	142,869	242,848

All amounts are receivable within one year. The 2020 prior year restatement reflects a netting off of £512,996 of historic intercompany transactions for clarity. This has no impact on the net funds of IEEP London.

10 Creditors: amounts falling due within one year

	2021 £	2020 Restated £
Trade creditors	22,578	27,170
Intercompany balances with IEEP AISBL – other	—	138,001
Accruals	20,975	19,850
	43,553	185,021

All amounts are payable within one year. The 2020 prior year restatement reflects a netting off of £512,996 of historic intercompany transactions for clarity. This has no impact on the net funds of IEEP London.

11 Financial commitments

The company is committed to making the following operating lease payments over the life of its leases.

Property and equipment leases:

	2021	2020
Amounts payable over the remaining life of the leases	Property £	Property £
Up to one year	3,294	41,891
One to five years	—	—
	3,294	41,891

12 Unrestricted funds

	Balance at 1 July 2020 £	Income & other gains £	Expenditure £	Funds transfers £	Balance at 30 June 2021 £
Unrestricted reserves	461,647	212,270	(63,335)	(6,502)	604,080
Designated foreign exchange fund	20,000	(11,502)	—	11,502	20,000
Designated premises fund	5,000	—	—	(5,000)	0
Total unrestricted funds	486,647	200,768	(63,335)	—	624,080

	Balance at 1 July 2019 £	Income & other gains £	Expenditure £	Funds transfers £	Balance at 30 June 2020 £
<i>Unrestricted reserves</i>	<i>497,210</i>	<i>189,631</i>	<i>(233,556)</i>	<i>8,362</i>	<i>461,647</i>
<i>Designated foreign exchange fund</i>	<i>20,000</i>	<i>8,362</i>	<i>—</i>	<i>(8,362)</i>	<i>20,000</i>
<i>Designated premises fund</i>	<i>5,000</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>5,000</i>
<i>Total unrestricted funds</i>	<i>522,210</i>	<i>197,993</i>	<i>(233,556)</i>	<i>—</i>	<i>486,647</i>

Designated foreign exchange fund

The Institute reports in Sterling but conducts its operations in Euros, Sterling, US Dollars and other currencies and accounts for foreign exchange gains and losses which may arise on those transactions during the year. In addition, the Institute re-values its bank, creditor and debtor balances denominated in currency at 30 June each year at the year end conversion rate to Sterling. The Trustees have decided that they would like to continue to designate a foreign exchange fund given the uncertainties in exchange rates.

Designated premises fund

Obligations may arise when the office lease terminates. The London office lease ended in March 2021 and the Brussels office lease was taken out in the name of AISBL in the prior period. The designated sum was held for future obligations which may arise on concluding the office lease. As a result, this has been released into unrestricted funds.

13 Restricted funds

The restricted funds all relate to projects carried out as part of the core work. No amounts remained unspent at 30 June 2021 (2020: £nil).

14 Legal status

Institute for European Environmental Policy, London is a company limited by guarantee, and not having a share capital, governed by its Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the company, if it is wound up, a sum not exceeding £1. At the 30 June 2021 company had 4 members (2020 – 4). The company is a registered charity number 802956.

15 Accounting for retirement benefits

Prior to the transfer of its employees under a TUPE arrangement to IEEP AISBL on 31 March 2019, the charity made contributions to individual money purchase schemes on behalf of its staff.

Contributions during the year to these schemes were £nil (2020 – £nil).

17 Related party transactions

Following the transfer of the charity's staff to IEEP AISBL, the charities adopted a cross charging arrangement designed to fairly allocate the costs for the provision of office space, IT facilities and administrative services between the two organisations. The result of this was an accrual for a charge from IEEP AISBL to IEEP London of £275,070 (2020 – £124,644). The 2021 charge comprises £182,243 of cross charge for the 2021 financial year, and £92,827 relating to historic balances cleared down during the year.

During the year, receipts totaling £61,404 belonging to IEEP London was collected by IEEP AISBL, and costs incurred by IEEP London were paid via IEEP AISBL; and an in depth historic reconciliation process took place. (2020 - £217,863 aggregate payable by IEEP London to IEEP AISBL).

At the year end, the net balance owed to IEEP London from IEEP AISBL was £140,246 (owed from IEEP London to IEEP AISBL 2020 – £114,631).

18 Post Balance Sheet events

Following the year end, the trustees of IEEP London have taken the decision to increase the activities of the charity. IEEP London's central aim for 2021-22 will be to re-establish itself in the UK in particular by re-building relations with partners, revitalising its client base and delivering a compact yet punchy programme of projects that contribute to IEEP's overall vision and strategy. A new cooperation agreement with IEEP AISBL will be signed which will shape the relationship between the two entities going forward, with the cross charge mechanism being removed.

19 Comparative statement of financial activities

Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income from:			
Investments:			
. Interest received	—	—	—
. Income received from joint venture	—	—	—
Charitable activities:			
. Grants and donations	—	11,390	11,390
. Research projects	176,426	—	176,426
Other income	13,205	—	13,205
Total	189,631	11,390	201,021
Expenditure on:			
Charitable activities			
. Research projects	233,556	11,390	244,946
Total	233,556	11,390	244,946
Net expenditure before other recognised gains and losses	(43,925)	—	(43,925)
Other recognised gains and losses			
Net gains on foreign exchange	8,362	—	8,362
Net (expenditure) income and net movement in funds for the year	(35,563)	—	(35,563)
Partial transfer of undertakings	—	—	—
Reconciliation of funds			
Total fund balances brought forward at 1 July 2019	522,210	—	522,210
Total fund balances carried forward at 30 June 2020	486,647	—	486,647