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**ClientEarth**<sup>®</sup>

Annual Report and Financial Statements

For the year ended 31 December 2020

Charity Registration no. 1053988

Company Registration no. 2863827 (England and Wales)

# CLIENTEARTH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	H Covington (Chair) G Stratenwerth (Treasurer) F Beinecke H Bruhn S Butler-Sloss B Eno S Hockman P Joubert W McIntosh S Medina Gomez D Mokhtarzadeh (Appointed 19 November 2020) A Razzouk (Appointed 19 November 2020) Sir Martin Smith Dr E Ugirashebuja (Appointed 19 November 2020)
<b>Charity number</b>	1053988
<b>Company number</b>	2863827
<b>Principal address</b>	The Joinery 34 Drayton Park London N5 1PB
<b>Registered office</b>	10 Queen Street Place London EC4R 1BE
<b>Auditor</b>	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB

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# CLIENTEARTH

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**ClientEarth is an environmental charity with a unique approach - we use the law to create powerful change and a future where people and planet thrive together.**

**“Once something becomes law, it becomes actionable and enforceable. Shortly afterwards, it becomes ‘common sense’. It becomes possible for a small group of people to use the law to trigger big changes. The task is pretty daunting but the rewards are huge.”**

— Brian Eno, musician, artist and ClientEarth trustee

## **ClientEarth Trustees' Report (including Directors' and Strategic Report)**

### **For the year ended 31 December 2020**

The trustees (who are also the directors of ClientEarth for the purposes of company law) present their report and accounts for the period ended 31 December 2020. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities', FRS102 (effective 1 January 2015).

The charity is a company limited by guarantee and is governed by its memorandum and articles of association. The trustees, who are also the directors for the purpose of company law, who served during the period, were:

- Howard Covington (Chair)
- Georg Stratenwerth (Treasurer)
- Frances Beinecke
- Hermann Friedrich Bruhn
- Sarah Butler- Sloss
- Brian Eno
- Daniel Greenberg (deceased 23 February 2021)
- Stephen Hockman QC
- Philippe Joubert
- Winsome Dunn McIntosh
- Sonia Medina
- Devika Waney Mokhtarzadeh (appointed 19 November 2020)
- Assaad Razzouk (appointed 19 November 2020)
- Christina Robert (retired 17 September 2020)
- Sir Martin Smith
- Emmanuel Ugirashebuja (appointed 19 November 2020)

**Charity Registration No. 1053988**

**Company Registration No. 2863827 (England and Wales)**

**Company Secretary / Legal Advisors:** Bates Wells, 10 Queen Street Place, London, EC4R 1BE

**ClientEarth principal address:** The Joinery, 34 Drayton Park, London, N5 1PB

**ClientEarth registered address:** 10 Queen Street Place, London, EC4R 1BE

**Auditors:** Arram Berlyn Gardner LLP, 30 City Road, London EC1Y 2AB

**Bankers:** HSBC, 16 King Street, London WC2E 8JF / Barclays, 1 Churchill Place, London, E14 5HP

**Tax advisors:** BDO, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

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## About us

**At ClientEarth, we're focused on creating seismic change. We can take on governments, hold businesses to account, change financial markets. One well-placed, hard-won legal victory can change the system. Enough of them can change the future. That future can be one in which people and planet thrive together. It's not only possible, it's essential. It's this vision that we fight for every single day, using the most powerful tool citizens have: the law.**

**We work on behalf of citizens.** We fight to strengthen citizen's laws and work to ensure that all citizens can usefully access them.

**We work in partnership.** We work in coalition with local individuals, communities, NGOs and other organisations, merging our experience with their on-the ground expertise.

**We build better foundations.** We work with businesses to create robust legal frameworks, and train experts to uphold them.

**We secure stronger laws.** We work with legislators to strengthen planned laws and improve existing ones.

**We hold power to account.** We monitor how laws are implemented and upheld, and force corporations and governments to be wholly accountable for their actions.

**We change the game.** We mount high-profile campaigns that change the conversation and force action.

**We get results.** We aim to achieve the greatest possible impact and create precedents that can be taken up worldwide.

We go after the worst-offending institutions and industries where we can have the greatest impact: coal, plastics, finance, forests, chemicals and much more. We choose strategic targets and actions that set powerful precedents, creating opportunities for others to follow suit. Wherever we work, and whatever we're tackling, our approach is the same: establish citizens' access to the law, work in local partnership, and use our expertise to strengthen and defend the laws that protect people and planet.

## **Introduction from Howard Covington, Chair of ClientEarth's Board of Trustees**

Like all people and organisations across the world, ClientEarth felt the impact of the pandemic during 2020. As the world went into lockdown we were forced to move swiftly into a remote model of working. Our people have responded magnificently under very difficult circumstances and I would like sincerely to thank them for coping so well. I'm deeply proud of the way that ClientEarth has supported our team so that they could continue to work at the highest standard and we will continue to prioritise their wellbeing well into the future.

The year was also one of global reflection on the issue of racism. At ClientEarth we have redoubled our own focus on equality, diversity and inclusion (EDI). We established an EDI committee of the Board to ensure that this subject is on the agenda at every Board meeting and are undertaking development of an EDI and long-term strategy. I look forward to reporting in detail on progress in future years.

It is to the credit of the staff, leadership, donors and supporters of ClientEarth that in spite of the pandemic we were able to keep operating effectively, increase our impact and position ourselves for future success. The environmental clock is ticking and if we want to deliver on our vision of a future in which people and nature thrive together, the coming years are critical. We are therefore working hard to scale up our efforts.

We were fortunate that while many charitable organisations were forced to scale back their operations in 2020, we were able to grow significantly, with our spend on operations increasing by 15%. We started scoping work in in the Americas and set ourselves for the launch of our office in Singapore, one year ahead of schedule. We will continue to look for opportunities for our impact.

Thanks to the skill and dedication of its people and the generosity of its supporters, ClientEarth is in the strongest position it has ever been to make the systemic change that we so need to see in the world.

Howard Covington, Chair



## Our strategic approach – a note from CEO and Founder, James Thornton

While the global COVID pandemic affected us all in 2020, it was with great pride that I watched the ClientEarth staff manage to stay focused on delivering work that will make the world a better, healthier place to live for all of us.

We now have a team of more than 220 people at ClientEarth, working in our eight offices and bringing together a range of professional and life experiences. Naturally, we have a wealth of legal expertise but that expertise in itself is wide-ranging, covering environmental law, human rights, company and financial law and much more. Our lawyers come from 26 jurisdictions.

The experience of our people covers international development, large law practice, academia, government, campaigning, diplomacy, science, the cultural sectors and many other areas. This is by design: I have always believed that one of the keys to innovation is bringing together people with different viewpoints and perspectives to find new ways of addressing big problems. We encourage collaboration, critical thinking and an entrepreneurial approach to developing and delivering strategies.

This approach is delivering results. We have, for instance, pioneered the application of company law in the fight against climate change. And by encouraging people to share across teams and practice areas, these approaches are now being applied to tackle issues related to human health, biodiversity and marine protection. The pioneering work that our people are doing builds tools for the environment sector as a whole.

As they innovate, though, it's important that our people do so within a framework. We use the same framework now that I have applied at ClientEarth from day one, always keeping a number of key factors in mind in order to ensure that we provide the highest possible impact and make the best use of the funding that we have available:

**Importance:** Our actions must focus on the most serious environmental threats.

**Impact:** Our actions must have fair prospects of success and any action must contribute to systemic change in tangible ways.

**Leverage:** We must focus on interventions where ClientEarth can directly target the problem, advance solutions, or create systemic change.

**Venue:** We must find the right venues in which to act, assessing a range of factors from political situation to rule of law. New venues may at times need to be created.

**Space:** ClientEarth can bring a distinctive and non-duplicative approach, perspective and expertise to the field. The positive work of other actors can be supported and amplified.

By setting this clearly defined framework we create the space and opportunity for our people to develop new approaches and ways of thinking that allow for creative application of that most powerful of tools: the law. We also ensure that our work delivers impact and contributes to the collective efforts of the environmental movement as whole.

## An overview of ClientEarth's work

### Ending coal power

There's no doubt: coal power is the biggest contributor to the climate crisis. We intend to end coal – globally. We block coal-fired plants and mines, both planned and existing. We defend communities' rights to protect their homes and ecosystems. We win ground-breaking legal victories that cut coal off from the finance it needs to continue business as usual. We work to open the space and create the right market conditions so that renewable energy can thrive.

Since ClientEarth started its work, we have:

- Launched 72 legal actions against coal
- Forced 15 national governments to move beyond coal
- Prevented the construction of a huge new coal plant in Poland
- Forced the owners of the worst carbon emitter in Europe, Belchatow coal plant, to plan its shutdown
- Challenged the legality of government subsidies to dirty coal companies



### Plastics: preventing oil's 'plan B'

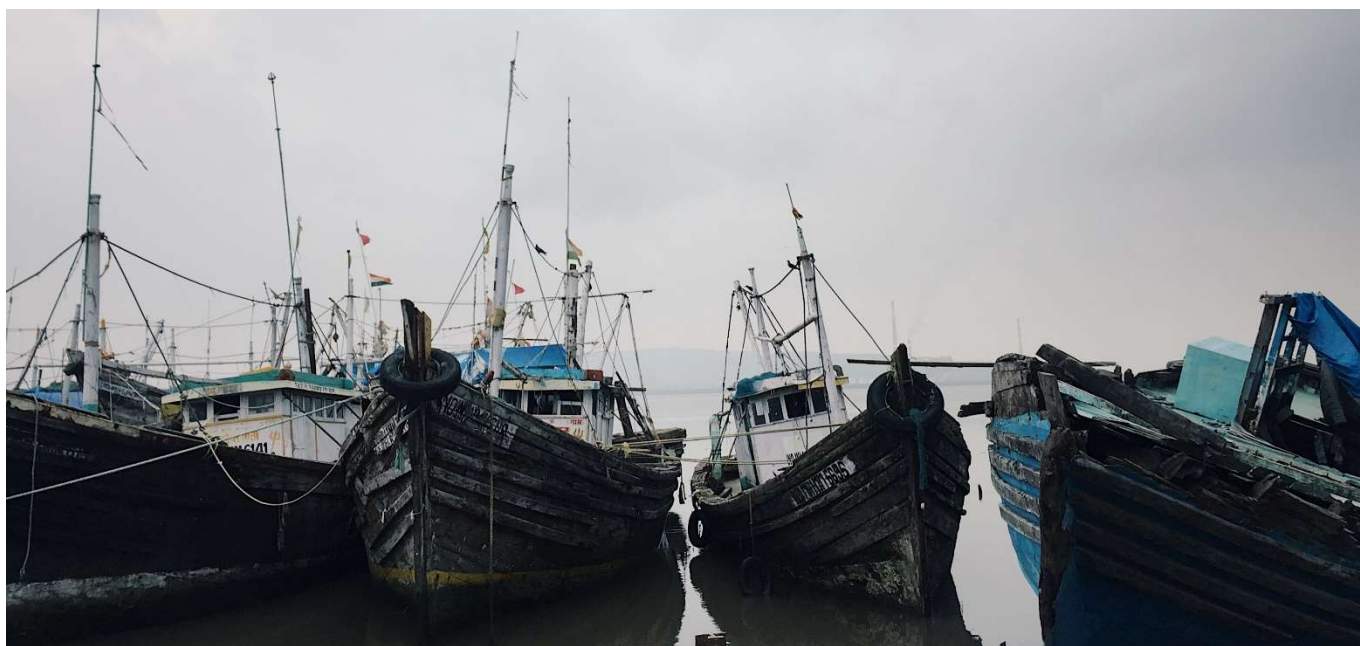
Each year, about 335 million tonnes of plastic is produced – equivalent to the combined weight of every human on the planet. Making a single plastic bottle uses the energy equivalent to filling it a quarter-full of oil. As energy generation moves away from fossil fuels, plastics are fast becoming the biggest driver of oil demand – but we're fighting it. In Belgium, Europe's largest petrochemical company plans to build a €3billion plant. We're using the power of the law to shut down construction before it can begin.

## The future of the world's forests

Since 1990, the world has lost areas of forest equivalent to the size of South Africa. Forests are a critical piece of the battle against climate change, home to some of the world's most diverse ecosystems. We're working to protect our forests for the communities that rely on them and for generations to come. We're focused on reducing demand and supply. Less demand means less deforestation: we secure tougher laws and enforcement in countries where illegal timber (and other forest products) end up. We also prevent illegal logging at source, collaborating with local communities, legal experts and NGOs.

## Saving our seas

About 820 million people worldwide depend on fishing for their livelihoods. Oceans are essential to life on earth. But the threats they face are many: chemical and plastic pollution, overfishing, loss of biodiversity, global heating and acidification. We work across 12 different legal frameworks to achieve our aims: making sure marine laws are robust, and enforced. We push for better fisheries management and responsible fishing practices. We tightened EU-wide plastics legislation to reduce devastating marine pollution. We also established the powerful Sustainable Seafood Coalition – now a beacon of best practice for the industry worldwide.



## Coming clean about chemicals

60% of all chemicals in production are hazardous to the environment, and 40% to human health. Behind the scenes, powerful corporations are lobbying hard to block or delay regulation that would prevent contamination of our water, soil and air. We're taking them on. With other NGOs, we secured a radical change: under new law, EU institutions must publish their studies on the safety of chemicals that end up in our food, including pesticides – telling the public the truth about their harmful effects.

## Cleaner air, liveable cities

Breathing polluted air causes around 400,000 early deaths across the EU each year. We're working with citizens and organisations to slash illegal air pollution and realise a new vision of cities with people at their heart. In the UK, ClientEarth has won three major court cases against the government, forcing action to drastically improve air quality. A ban on the sale of petrol and diesel cars from 2030 has been announced in the UK. In Germany, we brought more than 40 cases, forcing a radical shift towards electric. We're helping clean up Krakow's air with wins that have banned domestic burning of wood. Now we're working in Belgium, Hungary, Bulgaria and Poland to ensure they follow suit.



## Changing the terms of business

Scientists warn that we have just 10 years to stop global warming going above 1.5 degrees, beyond which drought, floods and extreme heat will affect hundreds of millions of people worldwide. Meeting the goals of the Paris Agreement – the first universal, legally binding agreement to keep global warming to well below 2°C – will require radical change in our laws, economies, policies and businesses. But political and corporate will is often too weak or too slow for the task.

We're working to ensure governments establish climate laws, plans, policies and targets to meet their commitment to the Agreement, monitoring, and challenging the worst-performing countries to slash their emissions.

We're focusing on corporations too, ensuring companies are responsible under law for the emissions and climate change they create. We've thwarted plans to build Europe's largest gas plant and forced BP to pull its multimillion pound greenwashing campaign.

Next, we're focusing on sources of finance for climate-destroying industries. Our influence persuaded the European Investment Bank to end all lending to fossil fuels in 2021. We're pressuring the pension sector to come clean to investors about the extent of their investment in projects that are fuelling climate change.

## Public benefit

The charity has had regard to the Charity Commission's guidance on public benefit. The main aim of the charity is to promote the protection of the environment to the benefit of broad sections of the public where the charity operates, and on a global basis, for current and future generations. The public benefit of the charity includes:

- The protection of wild places, wildlife and forests in the EU and internationally with a particular focus on the UK, Poland and Central and West Africa.
- The protection of public health and the environment from unhealthy levels of air pollution and exposure to toxic chemicals in the EU.
- The reduction of greenhouse gas emissions contributing to dangerous global climate change through the transformation of energy markets and financial systems.
- Gains in access to information, public participation and access to justice in environmental matters benefit wide sections of the public concerned about the environment and civil society, in particular environmental non-governmental organisations (NGOs).
- The research, analysis and legal advice distributed widely and free of charge by the charity benefits concerned citizens, civil society and other actors.

Our public benefit is further illustrated in this report through the Achievements and Performance section of this report.

## Achievements and performance in 2020

### Highlights from 2020

1. **BP's advertising pulled:** Two months after our complaint about its 'Possibilities Everywhere' advertising campaign, BP cancelled the campaign, and agreed to end all "corporate reputation advertising". This was an important win against one of the world's biggest carbon emitters. The OECD's opinion in our case recognised our legitimate interest in the matter and that the issues raised were material and substantiated. This win opens the door to further use of the OECD Guidelines to tackle corporate greenwashing.
2. **Protecting the Kresna Gorge:** Following our action, the Bulgarian Government withdrew its request for EU funding for the Struma motorway through the Kresna Gorge. If this had gone ahead, it would have decimated an area of outstanding natural beauty, and key habitat. The move followed pressure from on the European Commission to push the Bulgarian authorities to answer tough questions about their compliance with the Habitats Directive.
3. **Challenging Europe's biggest emitter:** We made progress in our action against the Bełchatów coal plant, the largest greenhouse gas emitter in Europe, which puts out more greenhouse gases each year than New Zealand. The judge ordered the company to sit down with us, giving them 90 days to reach an agreement on how and when to close the plant.
4. **Leading the way on State Aid:** Our work on State Aid brought many victories that will pave the way for the energy transition in Europe. We continued to use State Aid complaints to the Commission as a powerful lever against fossil fuel subsidies. Our intervention stopped Bulgaria from adopting subsidies that would have propped up coal plants. Due to our efforts, Greece

abandoned a capacity mechanism proposal that would favour lignite and fossil gas generation and financially unviable plants.

5. **Overfishing cases:** We wrote sustainability into the Common Fisheries Policy when it was revised in 2013. In 2020 our Fisheries Team initiated ground-breaking cases to enforce this fundamental obligation under the Common Fisheries Policy, after years of EU-level advocacy toward sustainable fishing, the arrival of the 2020 deadline, and the EU's failure to achieve that requirement.
6. **Tackling the fossil fuel industry's plan B:** The fossil fuel industry has a Plan B: as oil and gas are moved out of the market due to climate change, they plan to shift them over to plastics manufacture, greatly increasing plastics while continuing their greenhouse emissions. As part of our strategy to challenge fossil fuel infrastructure, including against plastics, we launched legal proceedings against the new EUR 3bn petrochemicals facility that INEOS intends to build in the port of Antwerp, Belgium. This is a vital piece of work that will carry into 2021 and tackle climate change, plastic pollution and the destruction of nature.
7. **Legal protection for African forests:** After more than eight years of work by ClientEarth's legal experts and our local partners, the Republic of Congo has passed a new law to help ensure more sustainable management of the country's vast forests. Forests in the central African nation form part of the Congo Basin – the largest tropical rainforest in the world after the Amazon. This law has the potential to preserve forests and combat forest exploitation and illegal logging.
8. **Fighting for EU citizens' environmental rights:** We have been fighting to get citizens allowed into EU courts for 12 years. We will soon succeed in getting part of what we want. The European Commission has published a proposal to amend the regulation that governs citizen access to the EU courts (the Aarhus Regulation). Once adopted, it will allow NGOs to challenge non-legislative acts in the EU courts. This is a direct result of our complaint to the UN Aarhus Convention Compliance Committee in 2008, which found against the EU in 2017, and of our maintaining constant pressure on the EU institutions and Member States since then.
9. **Supporting China-EU biodiversity ambitions and alignment:** The work of the teams in supporting China and the EU toward a meaningful biodiversity COP continued this year. We are proving to be a vital link between these powers. Just one example is our role co-hosting a series of virtual workshops with the Office of the Executive Committee for CBD COP15 on biodiversity on behalf of the EU – China Environment Project. The workshops focused on dialogue towards the post-2020 Global Biodiversity Framework to be agreed upon at COP15 in Kunming next year, which is a key element of the EU-China cooperation that is vital if COP15 is to be a success.



## Detailed performance review

### Rule of Law

**We work to ensure that the legal system enables public and environmental interests to be duly considered in decision making at local, national and international levels. We believe this will result in environmental justice placed in the heart of international trade agreements, post-Brexit UK's environmental governance, China's law and policy, as well as at EU level and across the EU's Member States.**

### Environmental democracy in the EU

Our legal interventions proved effective at enforcing the Aarhus Convention rights to access environmental information, public participate in decision-making and access to courts. Following our complaints:

- The European Ombudsman began three inquiries on the systemic lack of transparency in the decision-making procedures of the European Investment Bank (EIB), which is designated as the EU's new "Climate Bank". In January 2021 we also won - the first case brought before the General Court by an NGO against the EIB. A precedent has been set for NGOs to challenge the EIB's financing decisions for their environmental impacts.
- The Aarhus Convention Compliance Committee (ACCC) advised the European Union (EU) to urgently remedy the widespread lack of public participation in formulating National Energy and Climate Plans (NECPs) across the Member States.
- The EC opened infringement proceedings against Bulgaria and Poland for failing to ensure citizens can go to court to challenge inadequate air quality plans.
- The EC published its proposal to amend the Aarhus Regulation in response to our complaint to the ACCC regarding the inability of citizens and NGOs to directly access the EU courts.

We also began advocacy on the EU Climate Law for ClientEarth at the organisational level. The European Parliament has already adopted a position that reflects most of our asks, including exact text on transparency and access to justice.

### Environmental rule of law in China

We continued to support the Chinese Government and Judiciary to put in place a robust environmental law system and to strengthen China's accountability and leadership in global environmental governance:

- Early in the Coronavirus pandemic we emphasised the need for a green economic recovery, holding workshops and writing media articles on EU-China environmental cooperation and green recovery. Soon after the establishment of the EU-China High Level Dialogue on Environment and Climate, China announced its pledge to achieve carbon neutrality by 2060.
- We have long advocated for preventive remedies in environmental public interest litigation, which means judicial orders can stop harm to the environment before it takes place. Thousands of increasingly ambitious cases are now being brought by prosecutors and in November 2020, President Xi Jinping emphasised the need to strengthen the preventive legal system.
- In 2020 the Chinese Government published its first official document spelling out the need for financial institutions to mitigate climate risks. This is a clear reference to our study on green development for China's global Belt and Road Initiative spanning over a 100 countries. The Bank

of China subsequently pulled out of the Tapanuli hydropower dam in Indonesia, following our efforts to highlight the environmental impacts of the project.

## International trade and UK environment

### International trade agreements

Our calls are ongoing for modernisation of the EU's standard set of sustainable development provisions for trade agreements, and for environmental issues to sit at the top of the EU's trade agenda:

- We highlighted the EU's failure to fully consider the potential social, economic, and environmental impacts in trade negotiations with the Mercosur group of South American countries, resulting in the European Ombudsman opening an inquiry.
- We exposed a clash between EU climate and energy policies and the Energy Charter Treaty (ECT) - a multilateral investment treaty specific to the energy sector between the EU, its Member States and third countries. As a result, national Governments and the European Parliament began questioning the costs and benefits of the ECT and potential alternatives, including withdrawal from the Treaty.
- We engaged in the EU Sustainable Corporate Governance Initiative, alongside NGOs from the human rights and development fields. A strong civil society voice in developing this new legal framework will be crucial to ensure that business activities prevent any human rights violations and adverse environmental impacts.

### UK Environment

We maintained our position as experts on the post-Brexit framework for environmental governance:

- We were integral to the analysis on and drafting amendments to legal proposals for the UK Government's proposals for the Office of Environmental Protection - the watchdog which will be responsible for holding Government and other public authorities to account on their compliance with environmental law.
- The Fisheries Bill was amended in the House of Lords in line with our priorities on sustainability and remote electronic monitoring, and we drove NGO engagement on fisheries aspects of the EU-UK Agreement. The majority of our recommendations were incorporated, including a commitment to fish at sustainable levels, and the use of the best available scientific advice when setting fishing limits. We also led the drafting of the dispute settlement mechanisms, to ensure robust enforcement of the Agreement.

## Climate and the Paris Agreement

**Mitigating greenhouse gas emissions, in line with the Paris Agreement goals, is one of the major challenges facing society today. States and companies are failing to rise to the challenge and time is running out. We work to establish the duties of States and companies to reduce their emissions and to ensure financial flows are consistent with the Paris Agreement.**

### Climate Accountability

As part of our corporate accountability work we successfully defended an appeal affirming that the planned Ostrołęka C coal power plant in Poland poses major financial risks to shareholders due to climate change. The plant operator companies wrote down a PLN 2 billion loss related to the project, the



stock price went up indicating that the market agrees with our position. An estimated 160 million tonnes of CO<sub>2</sub> emissions have been avoided and an international precedent on the legal risks of stranded assets was established.

We also opened the door to the use of the OECD's Guidelines on Multinational Enterprises to tackle corporate greenwashing, making a complaint about BP's 'Possibilities Everywhere' advertising campaign. Two months later BP announced cancellation of the campaign and agreed to end all 'corporate reputation advertising'.

In our State accountability work we made great strides in integrating climate transition considerations into planning policy in the UK: We obtained an appeal judgment in our case regarding the Government's decision to approve construction of Europe's largest gas plant. This sets an important legal precedent confirming climate policy must be taken into account in assessing major energy projects. At the local level, we saw several local authorities commission comprehensive assessments of potential emissions reduction policies. This follows our letters to 100 local authorities highlighting their legal obligation to support delivery of the net zero target through local planning policy.

## Climate finance

We maintained our work with financial institutions, encouraging them to recognise climate risk in their portfolios:

- We drafted a legal letter to the EIB, following which the bank announced an end to fossil fuels support in its new lending policy by 2021.
- In the UK, following our sustained advocacy, a climate change provision was included in the Pension Schemes Bill to require action on governance and disclosure related to transitioning to a low carbon economy. The Department for Work and Pensions is now consulting on a world-first alignment of pension funds reporting with Taskforce on Climate-related Financial Disclosures recommendations.
- Building on our regulatory complaints, the Financial Conduct Authority (FCA) issued a consultation on proposals to enhance climate-related disclosures by listed companies. We published a widely distributed briefing setting out our key recommendations and we were invited to discuss our briefing with the FCA.
- We also advocated for climate-related conditions to be applied to the UK Government's COVID-19 recovery package. This prompted a high-level political discussion about climate conditions and we were asked to give evidence on these conditions before the Environmental Audit Committee.

## Energy transition

**The EU's energy system contributes the vast majority of the bloc's climate-harming emissions. We are accelerating the closure of coal plants across Europe, improving legal, policy and regulatory frameworks to remove the market barriers for a greener, fairer and de-centralised energy market, and to ensure public spending supports a just transition.**

## Fossil Fuel Infrastructure

We continued our legal strategy to eliminate coal in Europe and played a central role in the Europe Beyond Coal campaign:

- In Poland we secured a momentous legal win against the Bełchatów coal plant, the largest greenhouse gas emitter in Europe. The judge gave them 90 days to reach an agreement with us on when to close the plant. This legal case was conducted alongside an extensive campaign in collaboration with a local NGO partner to build public support for a clean and fair energy transition.
- Meanwhile in Germany, we established our reputation as legal experts on coal phase-out. Our persistent legal advocacy helped shift the debate from accepting a 2038 phase-out with large compensations for operators, to widespread public awareness of the flaws in delayed closures and substantial compensation.
- In Bulgaria, we blocked a highly-polluting practice of co-incinerating waste in coal plants.
- Our successful challenges against the Megalopoli A and B coal units in Greece proved to be the last nail in the coffin of the lignite industry; Greece announced a 2028 coal phase-out, with most plants to close by 2023.

In 2020 we expanded our work. Firstly we built legal capacity in Serbia through the establishment of a first-of-its-kind environmental law clinic, with the country's leading environmental lawyer training the next generation. Secondly, we began work on other industrial activities beyond coal, for example targeting the fossil fuel industry's Plan B - a large-scale shift to plastics manufacture – which would entail greenhouse gas emissions equivalent to coal.

## EU Energy Systems and State Aid

As legal experts we made a significant contribution to the civil society voice at EU level for a just and fair energy transition. Many of our proposals were integrated in the updated texts of the EU Clean Energy for all Europeans Package (CEP), and we successfully argued for inclusion of the 'energy efficiency first' principle in the EU's methodology for assessing the adequacy of its energy system. We also contributed to the implementation of CEP provisions on prosumers and energy communities - for many countries the participation of citizens in the energy system is a novelty, yet it is critical to an expedient transition.

Despite the EU's 2020 State of the Energy Union report confirming that subsidies to fossil fuels should end, a number of Member States continue to pay out huge sums of State aid to coal and gas energy producers across Europe without adequate scrutiny. We have had a number of successes in this area:

- As a direct result of our advocacy, the Polish Government announced it will stop granting free emissions allowances to domestic coal plants.
- Likewise, the EC opened investigations into Belgium's proposed capacity mechanism - financial incentives for energy producers to guarantee continued security of supply - which we alleged creates unnecessary risk of carbon lock-in.
- We helped pressure the Greek Government to abandon a capacity mechanism proposal that would have favoured lignite and fossil gas generation. Moreover, the Greek Climate Committee fully adopted our recommendations on the country's proposed climate law, including the setting of an emission reductions target higher than the EU.
- In France we brought a legal challenge against the monopoly of the French state-owned generator EDF, setting an important precedent on legal standing that allows us and others to bring such challenges in the future.

## Human health

**The air we breathe, the food we eat, and the water we drink are all polluted. The WHO estimates that almost a quarter of all deaths globally are linked to environmental factors. We work to**

**minimise the use of harmful chemicals and plastics to safeguard everyone's right to breathe clean air; and to ensure a healthier, sustainable agriculture model in the EU.**

## **Clean Air, Transport, and Cities**

Our legal advocacy and litigation work kept air quality a top issue in our target jurisdictions, despite temporary drops in pollution levels caused by COVID-19 lockdowns:

- In Poland, a letter from us and 20 other NGOs, led to the Warsaw Mayor committing to a coal ban from 2023.
- In Romania, we secured a court victory ordering a better air quality plan for Bucharest, with air pollution a major theme during the local mayoral elections.
- In the UK, air pollution was one of the most discussed issues in the Environment Bill debate, opening the door for stricter particulate matter limits to be legislated. The UK Government is now considering bringing forward the phase-out of new petrol and diesel vehicles to 2030. We advocated for this in various consultation responses and advocacy activities through the Clean Air Business Forum.
- In Germany, a growing number of cities are implementing ambitious air quality plans due to our litigation, achieving NO<sub>2</sub> reductions double than in cities not targeted. In 2020 we blocked an attempt by the federal Government to weaken air quality standards and prevent diesel bans.

The EC concluded a major review of EU air quality laws, taking on board our recommendations and acknowledging the key role of ClientEarth's work in ensuring the reduction of air pollution in Europe. The EU Green Deal included a commitment to align EU air quality limit values more closely with WHO guidelines. We are ideally placed to influence the content of the revised laws.

## **Harmful Chemicals**

We achieved a landmark success this year when the European Parliament vetoed the illegal authorisation of lead in PVC, using this power for the first time in history. We also built support in the Parliament to pursue a challenge to the exceptions to the ban on chromium trioxide, a chemical that causes cancer and gene mutation.

In October, the EC published its Chemicals Strategy for Sustainability containing everything that we had asked for in our studies and recommendations on closing the gaps in EU chemical regulation that threaten people and the environment. The EC workplan shows they relied heavily on our documents. Subsequent legal analysis we produced has set the stage for us and our allies to push for changes in the upcoming review of the EU's regulation of endocrine disrupting chemicals.

This year we defended the European Chemicals Agency (ECHA) against abusive industry litigation, intervening in two cases to support ECHA's regulation of toxic chemicals. The first case was the third attempt by a plastics association to reverse the classification of BPA as a substance of very high concern. The EU General Court found in ECHA's favour, relying explicitly on our arguments. The second ongoing case concerns GenX chemicals - the replacement for Teflon - known as "forever chemicals" because they cannot fully degrade.

We also contributed to an ambitious EU restriction on the intentional use of microplastics, securing a recommendation from an ECHA body for more stringent testing before a material can be considered "biodegradable".

## Forests land conversion and trade

**Globally, forests have decreased by 129 million hectares in 25 years. We build the legal capacity of civil society to influence forest law reform to ensure more sustainable and equitable forest governance. We work on the implementation and enforcement of legislation on illegal logging and advocating for the development of new requirements for companies placing commodities associated with deforestation on the EU and UK market.**

After more than eight years of advocacy by ClientEarth and partners, the Republic of Congo passed a new law to ensure the sustainable management of the country's vast forests. This law contains new provisions to preserve forests and combat forest exploitation and illegal logging, as well as provisions about community forestry. This marks a big step forward in regulating and protecting climate-critical forests.

We continued to empower local communities to steward forest management - our community guides for Congo and Liberia are assisting local populations to negotiate fair agreements with companies logging in the forests they depend on for their livelihoods. We supported a legal challenge by local partners to oppose a proposed bauxite mine in Ghana's Atewa forest that would destroy much of the forest. We hope this case will send a strong message to investors and companies, as well as develop our partners' capacity to undertake litigation.

We maintained our reputation as a leading NGO on forestry issues with EU officials inviting us to discuss our comments on the EU's review of its timber import regulations. We also worked with our partner Climate Advisors, to lay the foundations for innovative use of non-environmental laws within the EU (tax, customs, consumer protection) to crack down on illegal trade in timber and other forest products. Similarly, our calls for the UK Government to adopt a "due diligence" standard to address its environmental footprint overseas have become a core element of ongoing advocacy efforts with NGO partners.

## Oceans

**One of the biggest impacts humans have on the ocean is through fishing, and unsustainable fishing continues to be the most immediate and significant threat in European waters. Marine ecosystems face the additional pressure of plastics pollution, which is a growing threat. We work to ensure sustainable fishing and promote stronger laws to reduce plastic supply and make producers bear the real cost of plastic on the environment.**

### Fisheries and seafood

The EU failed to meet its binding 2020 deadline to end overfishing, as agreed in the 2013 Common Fisheries Policy. Since citizens cannot yet bring cases against the EU in EU courts we launched two national court cases in France and Ireland requesting a preliminary reference to the EU Court of Justice. The aim is to set ground-breaking precedent on enforcing legislative deadlines for action on nature and climate.

We also secured greater transparency in EU fisheries as a key step in ensuring the EU and Member States follow the law. Following our successful complaint to the European Ombudsman on the lack of transparency around the setting of catch limits, the EC is now making all of its proposals, and the

underlying justifications, public. The European Ombudsman also found in our favour on transparency around EU fisheries control – the enforcement of EU rules to stop illegal fishing and overfishing. Another important win came at the end of the year when the European Parliament’s Environment Committee accepted our suggested amendments to the revised Fisheries Control Regulation.

In our seafood work, the UK Sustainable Seafood Coalition (SSC) members collectively advocated for the inclusion of sustainability as an objective of UK post-Brexit fisheries legislation. Although the amendment failed, this first exercise in political advocacy has built the capacity of the SSC to more in the future. In Spain we established ourselves with NGOs and national authorities as the key experts on matters related to EU fisheries law, using this position to support the Fisheries Team’s work on the Control Regulation. Our work with Spanish retailers in the *Plataforma por la Sostenibilidad Pesquera* led to improvement in supermarkets’ compliance with EU labelling rules.

## Marine habitats and plastics

We successfully delayed the new EUR 3bn petrochemicals facility that INEOS plans to build in the port of Antwerp, Belgium by at least 12 months by challenging the environmental impact assessments. In January 2021, INEOS indefinitely suspended one of the two planned installations. We aim towards full cancellation and will use this as an iconic exemplar for other companies creating excess supply of plastic products.

We continued to work with the Rethink Plastic Alliance to ensure that the new package of EU plastics legislation is transposed and that the EC rejected a definition of ‘plastics’ in the Directive that would have rendered the Directive useless. EC Vice-President Timmermans publicly announced at the height of the COVID crisis that there would be no watering-down of the Single-Use Plastics Directive (due to be transposed by 2021). As a result of work done by the Link Coalition, of which we are a key member, bans on certain single-use plastic items (stirrers, straws, and cotton buds) came into force in the UK on 1 October 2020.

## Wildlife

**Biodiversity is under increasing threat; 1 million species of plants and animals face extinction, many within decades. We enforce EU biodiversity laws and hold Member States to account. Agricultural spending amounts to almost 40% of the whole EU budget, yet the sector does not really engage in mitigating climate change nor biodiversity decline. We use advocacy and litigation to align the Common Agriculture Policy (CAP) with EU environment legislation.**

### Wildlife and habitat loss

We focused attention on preparing for the CBD COP15 and the delivery of a legal strategy to protect precious habitats and wildlife across Europe. Together with other NGOs, we successfully advocated for a pledge by the EU to protect 30% of its land and seas by 2030, which will form part of their negotiating position for the COP.

Our legal action has resulted in successes in our target countries:

- The EC opened two infringement proceedings against Romania following complaints we made. The first, regarding logging in protected forests without proper assessments, progressed to a reasoned opinion - a formal request to comply with EU law - in under a year. The second

concerned improper adoption of the Habitats Directive in national law. Romania has been given two months to remedy the situation before they face another reasoned opinion.

- We advocated for the EC to demand answers from the Bulgarian authorities regarding their plans to build a motorway through the Kresna Gorge and to explain how this was in compliance with the Habitats Directive. The Bulgarian Government subsequently withdrew its request for EU funding for the motorway.
- We launched our first infrastructure case in Portugal, challenging construction of the Montijo airport together with eight Portuguese NGOs.
- The Energy Community Secretariat launched the first formal procedure against a dam development on the Vjosa River in Albania, following our work to provide strategic arguments re-enforcing a complaint by local partners. A week later the Albanian Government announced that a second dam had been refused and pledged to declare the entire area a national park.
- Our strategic legal complaint on bycatch of dolphins and porpoise, resulted in infringement proceedings being launched against three countries.

## Agriculture

Since beginning to work on agriculture in 2019, we swiftly established our position as legal experts in relevant Brussels networks and are now a member of the civil society group working on the Common Agricultural Policy (CAP) Reform, as well as the EU Food Policy Coalition. This legitimacy has enabled us to engage in legal advocacy at EU-level calling for the alignment of the CAP and the European Green Deal.

We shared a set of amendments to the CAP with Members of the European Parliament (MEPs). Although a number of these did not pass, the engagement was very fruitful; we persuaded entire delegations to vote in line with our positions. This is a clear signal that MEPs can be positively influenced and that working with the Parliament is an effective way of bringing about change.

We exposed concerns about the Special Committee on Agriculture (SCA) - an administrative body. The CAP's legislative work goes straight from the SCA to the council of ministers, circumnavigating other bodies, potentially undermining the integration of the CAP with EU climate, biodiversity and environmental policies. Our briefings shed light on the peculiar status of the SCA, which was highlighted by the Vice President of the EC in reaction to our briefing.

## Challenges in 2020

### Covid-19

During 2020 the impacts of the Covid-19 pandemic were faced across the organisation. Programme delivery was of course disrupted, especially advocacy where face-to-face contact is most impactful. We overcame some obstacles with the creative use of online tools to keep stakeholders engaged, such as webinars and our ClientEarth summit, which gave us the opportunity to bring together over 100 partners, donors and others from across the environmental world. When it came to decision-making processes, however, we were unable to physically attend meetings at the EU or national level, which impacted the effectiveness of our engagement with a number of institutions.

Of further concern was the distraction from the climate and biodiversity emergencies that resulted from the pandemic, making it difficult to maintain momentum with some stakeholders. Nature conservation legislation in Hungary, Romania and Slovenia was rolled back during the pandemic; short-term reductions in pollution levels triggered authorities to attempt to water down clean air targets; and COVID

has created an impression that plastic packaging is safer, with public funding allocated to plastic producers.

In response, we are strongly advocating the need for a green recovery, countering the industry position of a no-strings-attached bail-out, and we are communicating climate and biodiversity as twin crises to reunite engagement and action. We have also adjusted our climate finance strategy to focus on shifting the behaviour - rather than mindset - of financial institutions.

## Erosion of the Rule of Law

A rapidly declining respect for the rule of law has also been a challenge faced by many of our programmes. During 2020 our concerns about the independence of the judiciary and shrinking the space in which civil society can operate increased considerably in Poland, Hungary, Bulgaria, Romania, Slovenia, Serbia, Ireland, and the UK

We will be dedicating greater capacity to rule of law actions in countries where the space for civil society to operate is shrinking, and we will use our presence in Brussels to use EU law mechanisms. For example, there is currently a debate on the EU recovery budget being made conditional upon Member States meeting rule of law criteria. We will engage in legal advocacy to ensure that any future conditionality mechanism is as strong as possible to prevent further contraventions of Aarhus rights in the EU.

At the EU level, a lack of access to justice before EU courts has remained a major obstacle to our work, particularly in relation to EU decisions, which cannot be challenged in national courts. Similarly, there is little transparency in relation to energy markets, where information can be denied for alleged confidentiality reasons, or and State aid, where the European Commission is secretive and public consultations are rare. Opening the door for civil society access to the EU Courts will be crucial for us.

Getting the timing of legal interventions right is of critical importance and we were sometimes hampered by not being able to gather causal evidence (evidence that documents a relationship between an activity and its outcomes) to support innovative litigation, or difficulties in finding experts who are not representing industry interests. For example, it became impossible to scope climate accountability cases in Greece as we were unable to gather evidence establishing the link between pollution and individual health outcomes. We are now fostering relationships with experts who can help to generate causal evidence that stands up in court, and who will collaborate with NGOs rather than big industry, so we are ready to rapidly respond to opportunities.

The general approach of the current UK government to some environmental issues has made our work in the UK harder. The lack of progress on fisheries prevented us from making advocacy plans; there was push-back on a legally binding commitment to WHO guideline levels of air pollution; and it was unclear whether/how the UK would reproduce the EU's complex chemical-regulation system. We are being responsive, assessing urgency on a case-by-case basis, however, since the UK has lost its strategic importance as a global player following Brexit, we are/will shift some of our attention and resources to Europe.

## Managing growth

We know that we are in one of the most important decades in human history and that unless there is concerted, systemic action on climate change, a future in which people and nature thrive together is

unlikely. We have proved that our unique approach has a key role to play in delivering just the kind of systemic change that we need to see.

The organisation has grown consistently since its inception 14 years ago and in the last five years our income roughly doubled. This growth has allowed us to scale our impact significantly and has been supported by our donors, who recognise the efficacy of our work. This support from donors continues and we will continue to explore opportunities for growth that will deliver greater impact. However, consistent and rapid growth presents organisational challenges, from time spent on recruitment through to implementing the new systems and processes required for us to operate at greater scale.

We have set ourselves limits on our growth, particularly in terms of restricted income and staff numbers, which will ensure that our focus remains on delivering impact. Any growth of the own organisation will be guided by strategic imperative and high leverage opportunities. We will continue to prioritise scaling impact through our partners, using their existing infrastructure and ensuring that we are scaling-up the whole environmental movement not just our own organisation.

## Future plans

At an organisational level we will undertake a significant piece of work on an updated long-term vision and five year strategy, while also spending time to reassert our values, ensuring that they are well embedded across the whole organisation and that they continue to orient the way that we approach our work.

We will place major emphasis on managing the short and long-term effects of the COVID pandemic. While we have so far seen little effect on our income as a result the impact on the wider economy, we are mindful of the potential for significant economic downturn and recession in some of our main fundraising markets. Significant support will be given to our Development team as they develop new income streams in order to mitigate the risk and impact of any major economic downturn. In addition to managing any financial challenges related to the pandemic, we will also continue to focus heavily on ensuring the wellbeing of our staff. We will continue to provide high-levels of support, open up learning and development opportunities and implement a more systematic approach to working from home.

Developing a longer-term approach to equality, diversity and inclusion (EDI) will be a key theme and we will undertake a full EDI audit so that have a measurable baseline from which to improve and we have data to inform the development of a long-term EDI strategy. The Board, the senior leadership team and staff are all committed to delivering long-term, meaningful change and we expect to make significant progress towards that goal in 2021.

Programmatically we will continue to build our work in Asia, with a particular focus on challenging existing and new fossil fuel infrastructure, while also doubling down on our efforts in Europe. In addition to challenging the use of coal for generating power, we will also challenge the use of gas and petrochemicals in both geographies, taking on what has been described as ‘the fossil fuel industry’s Plan B’.

We will build the use and application of our corporate and finance tools, such as our pioneering work on the materiality of environmental risks in corporate reporting and management, and on greenwashing, among multiple teams, including plastics, seafood, and fisheries. We have also prioritised the development of further corporate-focused regulations and tools at the EU-level.



We will work on a number of cross-cutting themes and issues, such as the green recovery generally from the COVID pandemic, governance and the rule of law issues in a number of key jurisdictions and the connection between our work and environmental justice.

## Monitoring, evaluation and learning

From late 2019, ClientEarth embarked on an organisation-wide project to align monitoring, evaluation and learning (MEL) processes toward overarching organisational goals. The existing MEL processes were specific to each programme area and aligned primarily to the programmatic objectives or goals set in the five-year strategy. Moreover, the majority of monitoring focused heavily on the activities and output of the programmes with only limited ability to evidence the longer-term impact of the work. While this decentralised approach evolved organically in response to the growth of our programmatic work, it has been recognised that a new process is needed to ensure maximum cohesion between the different areas of work.

We are now developing four measurement frameworks to correspond to the four areas of impact of ClientEarth's programmes - climate, nature, human health and rule of law. Each team can have impact in any of the four areas, allowing us to better capture, analyse and understand the connections among different programmes and geographies and to more holistically communicate on the impact of the organisation, ensuring high levels of accountability internally and externally. The new measurement frameworks will be finalise and rolled out in early 2021.

## Structure, governance and management

The charity is a company limited by guarantee and is governed by its memorandum and articles of association.

The trustees, who are also the directors for the purpose of company law, who served during the period are listed on page 2.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

ClientEarth's governance is undertaken by the trustees, who meet four times a year. There are four board committees, covering finance and investment, governance, CEO performance and remuneration, and equality, diversity and inclusion. The Finance and Investment Committee meets four times a year ahead of board meetings, the Governance Committee and Equality, Diversity and Inclusion Committee also meet four times a year. The Remuneration Committee meets on an ad hoc basis.

New trustees are appointed by the Board through the Governance Committee. They are selected on the basis of their sympathy with ClientEarth's charitable objects and their ability to further them as a trustee. The Governance Committee actively considers skills gaps in the Board of Trustees and seeks to fill these with any new appointments. New trustees are elected by resolution and approved by a majority of trustees where a Board quorum is present.

New trustees are provided with an induction material containing relevant information regarding the charity, including the governing document, latest management reports and financials, together with relevant guidance on the role and responsibilities of trustees.

In 2021, Trustees will implement their plans to gradually move to new term limits. The intention is that trustees will serve three-year terms. Trustees are eligible to remain on the Board for up to two terms. A final term can be extended by the Board in special circumstances in order to meet a skill or experience gap.

The trustees are responsible for setting the overall programmatic and financial strategy of the charity and for approving the annual budget, but delegate the day-to-day management to the chief executive officer (CEO), James Thornton, who is supported by a senior leadership team (SLT).

## ClientEarth Offices

ClientEarth has its headquarters in the UK, and a number of offices throughout the world: Belgium, Germany, Luxembourg, Poland, Spain, the USA and China. In addition, it operates in many countries throughout Europe, Central and Eastern Europe, Central and Western Africa, and Asia Pacific through partners and sub-grantees.

The charitable work of the organisation is structured by programme, which are led by programme heads or programme leads. This programme-centric structure is distributed across the offices without reference to geographical location, so that teams may be dispersed in more than one office. This structure is complemented by staff in geographic locations that can bring local expertise and a strategic perspective on the strategic issues in the region. The London headquarters accommodates the majority of the core functions of the charity such as the CEO's office, finance, development, communications, human resources and administration teams.

In December 2020 ClientEarth established a trading subsidiary ClientEarth Trading Ltd in the UK with a registered number 13095280. ClientEarth is the sole member of the company. It is intended that the subsidiary will be carrying out small-scale primary purpose trading activities which directly further the charity's charitable objects.

## ClientEarth in Europe

Country		Legal Form	Year of Formation
<b>Belgium</b>	ClientEarth AISBL	International non-profit association (AISBL)	2018
<b>Belgium</b>	ClientEarth ASBL	Branch of ClientEarth Limited	2008 (currently inactive)
<b>France</b>	ClientEarth France	French Foundation	2011 (currently inactive)
<b>Germany</b>	ClientEarth gGmbH	Limited Liability Company	2018
<b>Luxembourg</b>	ClientEarth ASBL (previously EarthRights Luxembourg ASBL)	Non-profit association	2017
<b>Poland</b>	Fundacja ClientEarth Prawnicy dla Ziemi	Polish Foundation	2016
<b>Spain</b>		Branch of ClientEarth Limited	

<b>UK</b>	ClientEarth Trading Limited	Trading subsidiary of ClientEarth Limited	2020
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## ClientEarth in China

<b>Country</b>	<b>Legal Form</b>	<b>Year of Formation</b>
<b>China</b>	ClientEarth (UK) Beijing Representative Office	Representative Office of ClientEarth Limited 2017

There is a related, independent ClientEarth entity in the US, ClientEarth USA Inc., which operated as a 501(c)(3). There is also a related independent entity in Germany, ClientEarth – ANWÄLTE DER ERDE, which operates as a Registered Association

## Climate Change and Environmental Policy

ClientEarth is committed to reducing energy consumption and waste by encouraging staff to adopt sustainable practices and behaviours in the office. As such the overarching principle guiding our Environmental Policy is that our own actions will be aligned to our programmatic aims. The policy includes guidance in facilities management, recycling waste management, procurement and travel.

In 2020 the carbon emissions from all business related travel were measured and then offset with a Gold Standard-certified environmental project<sup>1</sup> selected by staff.

ClientEarth’s Environmental Policy and the principles are endorsed by the Senior Leadership Team and can be found on the ClientEarth website. The Deputy Chief Executive is accountable for the policy and it is subject to periodic review.

## Remuneration

Attracting, retaining and motivating employees is critical to delivering on ClientEarth's mission. This is supported by a process which benchmarks our salary scales against similar roles generally within the charitable sector in the countries in which we work.

The organisation has an annual review process where performance against objectives is evaluated and staff may be awarded an increase in pay if appropriate. The reviews and any pay awards are conducted in accordance with the policy framework agreed by the Remuneration Committee and within the salary budget agreed annually by the Board.

<sup>1</sup> Gold Standard was established in 2003 by WWF and other international NGOs to ensure projects that reduced carbon emissions featured the highest levels of environmental integrity and also contributed to sustainable development.

The CEO's salary is set by the Remuneration Committee, a sub-committee of our Board of Trustees, and is approved by the whole Board. The Committee includes specialists with significant organisational management expertise and knowledge, including in the charity sector.

## Risk management

The trustees are responsible for the oversight of the risks faced by the organisation. A risk register identifies the major financial, regulatory, governance, external, operational and reputational risks to which the charity is exposed, assesses their likelihood and potential impact, and details the mitigation measures that are a) already in place and b) necessary to implement. The trustees of the Governance Committee review this risk register on behalf of the Board at each Board meeting and consider any further steps which may be necessary to manage the risks, highlighting key issues to the full Board as relevant. Then once a year, the full Board will examine the register in detail.

The trustees consider the most serious risks to which the charity is exposed at present to be:

- the potential impact of Covid 19 on our funding streams and our operations; and
- the risk of lawsuits suits or defamation cases targeting our work which might damage reputation. In recognition of this risk, ClientEarth has established a Risk & Compliance Committee to oversee compliance and risk, reporting to the Senior Leadership Team.

## Fundraising

The Covid 19 pandemic had a dramatic impact on ClientEarth's fundraising activity but despite this, we have seen a strong performance of all our existing income channels. Our biggest challenge continues the balance of restricted and unrestricted funds, we continue to diversify our funder base and we have made progress in strengthening our capacity to ensure that unrestricted income continues to grow whilst monitoring the speed of growth in our restricted income. Despite the good results, 2020 of course posed many challenges in terms of fundraising.

With the constraints around in-person meetings and events of all kinds, the Development team redesigned its programmes of regular events and pivoted to online cultivation via a series of webinars in early March. This events programme has grown ever since and enabled us to stay in touch with our donors and ensure that despite the circumstances, we were able to communicate about our work.

Over the months we have seen rising attendance numbers and our events programme culminated in a public, three-day online summit that saw over 800 people sign up and listen in. As a result, we have seen strong loyalty and support especially from existing major donors who generously renewed their gifts. Whilst our ability to meet and build relationship with new donors was inhibited, we were encouraged by the fact that in 2020 our major donor income exceeded our target.

In order to strengthen our financial sustainability and widen our sources of unrestricted income, we have also continued to build our digital fundraising capacity throughout the year. In 2020, we employed our first dedicated digital fundraiser and have grown our base of regular supporters that give via Direct Debit to now over 1,300, almost a doubling in numbers. We also saw the highest numbers of cash gifts online we have ever received. This was in direct response to our first coordinated online appeal in the run up to Christmas, and exceeded our target for online income. We have more than doubled our total income

online compared to last year and exceeded target, and as a result have ambitious targets to grow digital income further in the year come.

Our fundraising from foundations and trusts has also stayed on course and we were able to solidify the funding of major programmes through the generous support of grant making institutions. Our restricted fundraising was therefore on target and we continue to widen our network globally and seek to reflect ClientEarth's global footprint not just in our work but also in our fundraising.

During the year, ClientEarth also benefited from a deeper relationship with the People's Postcode Lottery, a long term funder of our work. We were invited to become a Promoting Society and as a result benefited from three lottery draws that raised over £2m for our work. This was a one off opportunity that has had tremendous impact on our programmes and also enabled us to invest in strengthening our fundraising capacity and brand awareness.

2020 was also the year where we embarked on our first major, specific fundraising campaign for our ambitions to halt coal and enable the clean energy transition in Asia. This appeal has the long term aim to raise \$100m over ten years, and the first major contribution of \$2m building on the foundation gift by the Children's Investment Fund Foundation was made by the Grantham Foundation.

To ensure ClientEarth can continue on its growth trajectory, we will continue to strengthen our unrestricted fundraising, and aim to grow our network of trusts and foundations internationally. As a result, we continue to build the capacity of our team: both our digital fundraising team and our business development is growing and we also are investing in our capacity to manage our funds well and to highest standard. Whilst 2020 posed many challenges in terms of building new relationships, with our focus on online events and online fundraising, we were able to make headway and build a strong foundation for the future. We have used the time to improve our processes and infrastructure, to ensure our technology and way of working reflects the growing target and budget needs. The key challenge for 2021 is to keep momentum and ensure we find ways to grow our networks in creative ways given the ongoing uncertainty of Covid 19 and its impact.

## Fundraising statement:

ClientEarth employs an in-house development team who specialise in philanthropy and grants fundraising. ClientEarth does not employ any third-party professional fundraisers (either individuals or organisations) and has no commercial partners contributing to fundraising efforts.

ClientEarth is registered with the Fundraising Regulator. The charity has not received any complaints about fundraising activities. In addition to philanthropy and grants fundraising, ClientEarth offers members of the public the opportunity to donate through its website, and is committed to fundraising in a way that meets the expectations of the public and respects the rights of all individuals.

## People

Since the onset of the pandemic in March 2020, one of our key areas of focus was on the wellbeing of our people in all our offices. The global COVID pandemic was a physical health crisis but increasingly it impacted on mental health and wellbeing as an outcome of social constraints, different and often challenging work-life pressures and general uncertainty and insecurity.

During the year, we carried out regular 'staff pulse surveys' to gauge wellbeing levels and to provide the senior leadership team with reliable and timely feedback upon which to base decisions on how to best support our people during these unprecedented times. Average of 93% of our people felt they were being kept informed and an average of 95% of our people felt supported overall. These figures were consistent and very encouraging.

We focused our efforts on providing the IT infrastructure to quickly enable people to work from home, along with an extensive range of on-line training activities to support these new ways of working, to promote the health and wellbeing of our people and to combat social isolation.

We launched our new learning and development framework during the year and this aimed to provide a more holistic and joined-up approach to learning, development and career progression. This new learning and development framework covered all aspects of learning from global induction and standard setting, to learning new skills and acquiring new knowledge in order to progress through the organisation, share knowledge and learning, and meet our ambitious aims and objectives.

As our organisation continued to grow, during the year we advertised 97 jobs, received 5283 applications, carried out 430 interviews and made 83 job offers.

## **Equality, diversity and inclusion (EDI)**

ClientEarth is committed to promoting equality, good diversity management and providing an inclusive working environment for all our staff, volunteers and interns.

Underpinned by leadership from our trustees, our senior leadership team (SLT) and an EDI plan, we have embarked on a journey to realise our commitment through the establishment of a Global EDI Committee, an SLT EDI sub group and a Board EDI Committee. This gives us a strong infrastructure to support our commitment to anti-racism, equality, diversity and inclusion across all the countries in which we work.

To promote and raise awareness of EDI matters among our people, we have delivered 16 EDI and unconscious bias sessions to staff and have facilitated 20 anti-racism and anti-discrimination training sessions over the last year. We have incorporated EDI thinking into our HR activities across recruitment and selection practices and wellbeing initiatives based on an analysis of reliable data.

We have also created an extensive EDI resource centre for our staff and will be offering paid work placements aimed at people of colour this year. ClientEarth has representation on an external EDI Group with a number of other environmental charities and is part of the Steering Group for a State of Diversity in the Environment Sector project.

Looking forward into 2021, we intend to engage a consultant to undertake an EDI audit early in the year and the findings of this audit, supported by diversity data for trustees, staff and extensive recruitment metrics will inform our planned 3-5 year Global Equality, Diversity and Inclusion Strategy that will be launched later in 2021.

## **Financial review**

In 2020 we secured income of £20,791k, a growth of 30% in underlying income. Total income is lower than total income in 2019 of £29,489k, due to the significant one-off gift in 2019 (underlying income was £15,890k). As in previous years, most of our income is in the form of restricted grants funding our

charitable activities. These grants come from private foundations and governmental agencies, predominantly based in the UK, Europe and the USA and are restricted to specific projects. In addition, 10% of income came from lottery operations in the last quarter of 2020 to support key programmes in 2021.

Total expenditure increased by 19% to £16,850k (2019: £14,198k), with increased charitable activities expenditure across key programmes including Energy Transition, Forests and Wildlife protection.

## Managing key financial risks

Financial resilience: over recent years, we have focused on diversifying income streams to reduce our reliance on key donors. In 2020 we continued to invest in increasing our profile and digital fundraising, secured funding from new philanthropy and foundation donors, and became a registered agent for the People's Postcode Lottery. We continue to monitor our income mix, in particular to manage the risk of growing restricted income faster than unrestricted impacting our ability to cover core costs.

Impact of the Covid-19 pandemic: in March, we modelled the potential impact on fundraising, and on our ability to implement our charitable activities. In response to this risk we took steps to reduce unrestricted costs and ensured we could allocate funds to support staff well-being and remote working.

## Reserves policy

The charity's reserve policy considers the financial risks that the charity is exposed to, and sets the target level of free reserves accordingly at 25% of annual internal expenditure (defined as total annual expenditure, less sub-grant and litigation costs). The target level of free reserves at the end of 2020 is £3,629k.

Reserves are held to cover unexpected falls in income, to provide bridging funding between grants, to provide rapidly deployable seed funding for new initiatives, and to cover cash flow needs, especially where grants are paid in arrears.

Overall Reserves at the end of 2020 were £26,045k (2019: £20,882k), made up of:

### Unrestricted Reserves

- General Funds of £4,372 (2019: £3,548k), which after deducting £326k (2019: £167k) funds tied up in Fixed Assets leaves free reserves of £4,046k (2019: £3,381k)
- Voluntarily Designated Reserves of £13,528k (2019: £12,171k)

Restricted Reserves of £8,144k (2019: £5,164k)

## Reserves review:

### Unrestricted reserves:

At the end of 2020 a net unrestricted surplus of £825k boosted unrestricted Reserves to £4,372k which, after £326k tied up in Fixed Assets leaves £4,046k of Free Reserves. This strong performance enabled the charity to exceed its free reserves target of £3,629k, and plan for Fixed Asset spend in 2021.

### Designated reserves:

At the end of 2019 the trustees resolved to designate £12,171k of the generous unrestricted Gilmour-Samson gift, to be used over the medium term to fight climate change and build the capacity of the organisation. During 2020 £1,096k. was spent on programme initiatives and capacity building. In 2020 lottery operations generated a net unrestricted income of £2,024k due to be spent during 2021, which the trustees resolved to carry over as designated funds for specific charitable purposes.

### Restricted reserves:

We spent down restricted funds received in prior years, and secured new funding, finishing 2020 with a higher total balance of restricted funds (£8,144k; 2019: £5,164k). This includes grant funding received at the end of the financial year for charitable activities in 2021.

## Trustees' responsibilities statement

The trustees (who are also directors of ClientEarth for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the 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 incoming resources and application of resources, including 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 the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and



- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

## Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



.....

H Covington, Trustee

Date 21 June 2021  
.....

# CLIENTEARTH

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIENTEARTH

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### Opinion

We have audited the financial statements of ClientEarth (the 'parent charitable company and subsidiaries') for the year ended 31 December 2020 which comprise of the consolidated statement of financial activities, consolidated and charitable company statement of financial activities, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

We have nothing to report in this regard.

# CLIENTEARTH

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CLIENTEARTH

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Trustees' Responsibilities, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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 extent to which the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 trustees and other management, and from our commercial knowledge and experience of the Charity sector

# CLIENTEARTH

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CLIENTEARTH

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- 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 company, including, but not limited to, the Companies Act 2006, Charities Act 2011 and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant 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.

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

- understanding the charitable objectives as part of the control and operating environment;
- 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;
- investigated the rationale behind significant or unusual transactions.

Through these procedures, we did not identify any material actual or suspected incidents of fraud.

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 correspondence and enquiring with the company of actual and potential non-compliance with laws and regulations.

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

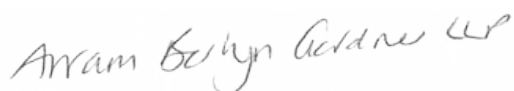
# CLIENTEARTH

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CLIENTEARTH

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### 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 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Sarah Wilson FCA (Senior Statutory Auditor)**  
for and on behalf of Arram Berlyn Gardner LLP

24/6/2021

.....

**Chartered Accountants**  
**Statutory Auditor**

30 City Road  
London  
EC1Y 2AB

# CLIENTEARTH

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
	Notes	2020 £	2020 £	2020 £	2020 £	2019 £
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	3,287,840	-	1,295,492	4,583,332	17,893,574
<b>Charitable activities:</b>	4	18,302	-	13,842,628	13,860,930	11,413,578
Investments	5	56,998	98,108	-	155,106	30,985
Other income	6	2,115,431	-	75,908	2,191,339	150,827
<b>Total income</b>		<b>5,478,571</b>	<b>98,108</b>	<b>15,214,028</b>	<b>20,790,707</b>	<b>29,488,964</b>
<b><u>Expenditure on:</u></b>						
Raising funds		813,215	243,255	112,719	1,169,189	814,430
<b>Charitable activities:</b>	8	1,816,709	1,743,267	12,121,070	15,681,046	13,384,050
<b>Total resources expended</b>		<b>2,629,924</b>	<b>1,986,522</b>	<b>12,233,789</b>	<b>16,850,235</b>	<b>14,198,480</b>
Net gains/(losses) on investments	12	-	1,221,976	-	1,221,976	-
<b>Net incoming resources before transfers</b>		<b>2,848,647</b>	<b>(666,438)</b>	<b>2,980,239</b>	<b>5,162,448</b>	<b>15,290,484</b>
Gross transfers between funds		(2,023,742)	2,023,742	-	-	-
<b>Net movement in funds</b>		<b>824,905</b>	<b>1,357,304</b>	<b>2,980,239</b>	<b>5,162,448</b>	<b>15,290,484</b>
Fund balances at 1 January 2020		3,547,561	12,171,179	5,163,537	20,882,277	5,591,793
<b>Fund balances at 31 December 2020</b>		<b>4,372,466</b>	<b>13,528,483</b>	<b>8,143,776</b>	<b>26,044,725</b>	<b>20,882,277</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CLIENTEARTH

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	13		72,131		29,892
Tangible assets	14		253,797		136,876
Investments	15		12,756,349		-
			<u>13,082,277</u>		<u>166,768</u>
<b>Current assets</b>					
Debtors	16	3,868,189		1,733,312	
Cash at bank and in hand		10,257,183		19,404,501	
			<u>14,125,372</u>		<u>21,137,813</u>
<b>Creditors: amounts falling due within one year</b>	17	(1,162,924)		(422,304)	
Net current assets			12,962,448		20,715,509
<b>Total assets less current liabilities</b>			<u>26,044,725</u>		<u>20,882,277</u>
<b>Income funds</b>					
Restricted funds	19		8,143,776		5,163,537
Designated funds	20		13,528,483		12,171,179
Unrestricted funds			4,372,466		3,547,561
			<u>26,044,725</u>		<u>20,882,277</u>

The financial statements were approved and authorised for issue by the Board on 21 June 2021 .....



.....  
H Covington (Chair)  
Trustee

Company Registration No. 2863827

# CLIENTEARTH

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	13		72,131		29,892
Tangible assets	14		230,208		136,876
Investments	15		12,756,349		-
			<u>13,058,688</u>		<u>166,768</u>
<b>Current assets</b>					
Debtors	16	3,740,607		1,697,950	
Cash at bank and in hand		9,514,570		18,002,675	
			<u>13,255,177</u>	<u>19,700,625</u>	
<b>Creditors: amounts falling due within one year</b>	17	(1,220,070)		(257,333)	
Net current assets			<u>12,035,107</u>		<u>19,443,292</u>
<b>Total assets less current liabilities</b>			<u>25,093,795</u>		<u>19,610,060</u>
<b>Income funds</b>					restated
Restricted funds	19		7,634,048		4,974,289
Designated funds	20		13,528,483		12,171,179
Unrestricted funds			3,931,264		2,464,592
			<u>25,093,795</u>		<u>19,610,060</u>

A separate statement of the financial activities and Income & Expenditure accounts are not presented for the charity itself following the exemptions permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The total incoming resources for the charity for the period ended 31 December 2020 were £20,286,414 (2019: £27,925,106) with the positive movements in funds being £5,483,735 (2019 £14,122,113).

The financial statements were approved and authorised for issue by the Board on 21 June 2021



.....  
H Covington (Chair)  
Trustee

Company Registration No. 2863827



# CLIENTEARTH

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

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		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27		2,995,207		15,049,181
<b>Investing activities</b>					
Purchase of intangible assets		(65,988)		-	
Purchase of tangible fixed assets		(186,954)		(13,426)	
Purchase of investments		(20,640,959)		-	
Proceeds on disposal of investments		8,596,270		-	
Interest received		155,106		30,985	
<b>Net cash (used in)/generated from investing activities</b>			(12,142,525)		17,559
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(9,147,318)		15,066,740
Cash and cash equivalents at beginning of year			19,404,501		4,337,761
<b>Cash and cash equivalents at end of year</b>			10,257,183		19,404,501

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# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Charity information

ClientEarth is a private company limited by guarantee incorporated in England and Wales. The registered office is 10 Queen Street Place, London, EC4R 1BE. The principal place of business is The Hothouse, 274 Richmond Road, London, E8 3QW.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (published October 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise unrestricted funds which have been voluntarily set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Grants received with both a restricted and unrestricted purpose are allocated on receipt directly into the correct fund and are not transferred between restricted and unrestricted funds.

#### 1.5 Resources expended

Resources expended are recognised in the period in which they are incurred.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs comprising the salary and overheads costs of the central function are apportioned to each activity on the following per capita basis:

Costs of generating funds	10%
Rule of Law	13%
Climate	10%
Energy Transition	22%
Pollution & health	14%
Forests	10%
Oceans	10%
Wildlife	11%

#### 2019 comparatives

Costs of generating funds	7%
Rule of Law	18%
Climate	11%
Energy Transition	20%
Pollution & health	15%
Forests	10%
Oceans	11%
Wildlife	8%

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of financial activities.

Governance costs include all costs of compliance with constitutional and statutory requirements, including legal, audit fees and the costs of board meetings.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
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# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Computers	20% straight line

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits with banks, other investments with original maturities of three months or less, and bank overdrafts.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

#### **1.12 Foreign exchange**

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

#### **1.13 Accumulated funds**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.14 Basis of Consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of ClientEarth and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

##### Income recognition

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred. The key area of judgement relates to entitlement of grants that have funding tranches, other conditions may need to be met before the charity is entitled to future tranches.

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 3 Donations and legacies

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	Unrestricted funds	Restricted funds	Total
	<b>2020</b>	<b>2020</b>	<b>2020</b>	2019	2019	2019
	<b>£</b>	<b>£</b>	<b>£</b>	£	£	£
Donations and gifts	3,287,840	1,295,492	4,583,332	17,298,621	594,953	17,893,574

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4 Charitable activities:

	Rule of law	Climate and the Paris agreement	Energy transition	Pollution & health	Forests	Oceans protection	Wildlife protection	Total 2020
	£	£	£	£	£	£	£	£
Analysis by fund								
Unrestricted funds	175	17,037	-	1,090	-	-	-	18,302
Restricted funds	2,789,498	2,306,326	4,235,175	1,676,355	1,595,366	626,016	613,892	13,842,628
	<u>2,789,673</u>	<u>2,323,363</u>	<u>4,235,175</u>	<u>1,677,445</u>	<u>1,595,366</u>	<u>626,016</u>	<u>613,892</u>	<u>13,860,930</u>

#### For the year ended 31 December 2019

Analysis by fund								
Unrestricted funds	214	24,872	-	-	14,991	1,600	250	41,927
Restricted funds	1,632,101	1,647,510	2,710,832	2,032,032	1,476,124	873,355	999,697	11,371,651
	<u>1,632,315</u>	<u>1,672,382</u>	<u>2,710,832</u>	<u>2,032,032</u>	<u>1,491,115</u>	<u>874,955</u>	<u>999,947</u>	<u>11,413,578</u>
								<b>Total 2019</b>



# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Investments

	Unrestricted funds	Endowment funds designated	Total	Unrestricted funds
	2020	2020	2020	2019
	£	£	£	£
Income from investments	-	98,108	98,108	-
Interest receivable	56,998	-	56,998	30,985
	<u>56,998</u>	<u>98,108</u>	<u>155,106</u>	<u>30,985</u>

### 6 Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Rental income	30,339	-	30,339	40,620	-	40,620
Litigation awards	31,366	-	31,366	64,028	-	64,028
Memberships	-	75,908	75,908	-	45,304	45,304
Income from absorption of new entities	28,090	-	28,090	-	-	-
Insurance claims	-	-	-	443	(207)	236
Lottery income (a)	2,023,742	-	2,023,742	-	-	-
Other income	1,895	-	1,895	641	-	641
	<u>2,115,431</u>	<u>75,908</u>	<u>2,191,339</u>	<u>105,731</u>	<u>45,096</u>	<u>150,827</u>
<b>For the year ended 31 December 2019</b>	<u>105,731</u>	<u>45,096</u>				<u>150,827</u>

#### (a) Lottery income

Lottery Ticket Sales	6,344,423
Lottery Prizes	(2,537,769)
Lottery Operation Costs	(1,782,912)
	<u>2,023,742</u>

Lottery income is the proceeds of lotteries held by the external lottery manager for the People's postcode lottery. ClientEarth has no ability to alter the ticket price, prizes or management charge and therefore, does not act as principal for these draws. Proceeds have therefore been recognised as net of prizes and other expenditure.

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 7 Top Five Donors

Included within income are the following top 10 donors:

	£
Children's Investment Fund Foundation	5,084,221
People's Postcode Lottery (PPL)	2,023,742
Grantham Foundation	1,688,011
Department for International Development (DFID)	1,078,401
Bloomberg via European Climate Foundation (ECF)	715,635
The Wellspring Philanthropic Fund	579,482
EU funding (EU Life; EU Life+; GOPA; Horizon 2020)	529,711
The Tilia Fund	505,025
The AKO Foundation	500,000
European Climate Foundation (ECF)	487,785
Other donors	7,275,991
	<hr/>
	<b>20,468,004</b>
	<hr/> <hr/>

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities:	Cost of Rule of Law generating funds		Climate		Energy Transition		Pollution & health		Forests		Oceans		Wildlife		Governance costs		Support Costs		Total	
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Personnel & recruitment	735,273	1,240,146	1,082,957	2,173,541	1,386,746	1,037,284	902,559	934,649	36,071	994,527	10,523,753									
Holiday pay	27,710	42,619	42,172	54,984	37,125	29,634	20,431	22,283	2,010	46,683	325,651									
Consultants/ external assistance	137,473	178,737	43,525	99,650	70,368	401,209	78,808	51,914	954	77,465	1,140,103									
Sub-grants	6,728	64,634	147,758	205,828	95,041	5,383	5,383	6,055	-	8,747	545,557									
Litigation costs	5	27,108	277,477	732,437	381,346	4	30,532	12,307	-	6	1,461,222									
Travel, events and meetings	11,602	56,233	8,004	24,780	17,315	213,676	3,230	7,109	13	21,212	363,174									
Publications, subscriptions & memberships and trainings	17,458	10,321	8,968	28,181	12,805	42,703	9,546	7,635	-	27,253	164,870									
Training & research	13,095	17,025	20,622	45,043	25,209	10,251	8,827	14,079	450	17,175	171,776									
Premises and Office running costs	157,233	129,745	146,819	319,804	179,493	85,321	75,322	108,828	4,253	199,234	1,406,052									
Accounting and professional fees	17,483	9,803	8,156	18,103	10,820	7,097	7,067	8,030	35,420	110,096	232,075									
Bank charges & interests	10	11	9	20	12	8	8	9	-	12,633	12,720									
Exchange rate variance	40,950	45,045	36,855	81,900	49,140	32,760	32,760	36,855	-	53,235	409,500									
Depreciation	9,378	10,316	8,440	18,756	11,254	7,503	7,503	8,440	-	12,192	93,782									

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities:	(Continued)										
Overheads Recharge	(144,474)	8,450	49,382	93,620	22,224	93,925	38,216	26,473	-	(187,816)	-
Allocate costs	1,029,924	1,840,193	1,881,144	3,896,647	2,298,898	1,966,758	1,220,192	1,244,666	79,171	1,392,642	16,850,235
Support Costs	139,264	181,043	139,264	306,382	194,970	139,264	139,264	153,191	-	(1,392,642)	-
Governance costs	-	11,084	9,501	20,584	12,667	8,709	7,917	8,709	(79,171)	-	-
	1,169,188	2,032,320	2,029,909	4,223,613	2,506,535	2,114,731	1,367,373	1,406,566	-	-	16,850,235
Comparatives											
	<b>Cost of Rule of Law generating funds</b>	<b>2019</b>	<b>2019</b>	<b>Climate</b>	<b>Energy Transition</b>	<b>Pollution &amp; health</b>	<b>Oceans</b>	<b>Wildlife</b>	<b>Governance costs</b>	<b>Support Costs</b>	<b>Total</b>
	£	£	£	£	£	£	£	£	£	£	£
Personnel & recruitment	508,969	1,300,242	909,037	1,472,542	1,104,781	719,327	727,593	508,213	46,672	768,681	8,066,057
Consultants/external assistance	71,835	147,148	53,065	57,261	86,699	261,926	38,944	29,320	1,194	42,954	790,346
Sub-grants	-	201,158	94,711	167,541	128,578	-	-	-	-	-	591,988
Litigation costs	-	35,104	326,402	591,800	457,644	-	-	7,672	-	-	1,418,622
Travel, events and meetings	64,882	332,198	35,780	76,853	55,945	149,032	31,095	20,362	21,336	158,357	945,840

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities:												(Continued)
Publications, subscriptions & memberships and trainings	29,965	23,732	9,080	27,286	12,520	26,476	10,697	8,558	-	423	148,737	
Training & research	4,469	14,683	20,348	25,540	16,642	11,792	13,347	8,685	490	8,171	124,167	
Premises and Office running costs	78,063	123,947	134,887	206,059	237,770	76,053	74,574	72,931	4,910	141,867	1,151,061	
Accounting and professional fees	5,785	12,397	7,438	14,877	11,571	7,438	7,438	5,785	23,672	28,924	125,325	
Bank charges & interests	6,810	-	-	-	-	-	-	-	-	9,468	16,278	
Exchange rate variance	52,779	113,098	67,859	135,757	105,558	67,859	67,859	52,779	-	90,478	754,026	
Depreciation	4,326	9,271	5,563	11,125	8,653	5,563	5,563	4,326	-	7,417	61,807	
Bad Debt	296	634	380	761	592	380	380	296	-	507	4,226	
Overheads												
Recharge	(90,854)	37,850	52,593	56,312	1,732	60,329	17,217	20,571	-	(155,750)	-	
	737,325	2,351,462	1,717,143	2,843,714	2,228,685	1,386,175	994,707	739,498	98,274	1,101,497	14,198,480	
Allocate costs												
Support Costs	77,105	198,269	121,165	220,299	165,224	110,150	121,165	88,120	-	(1,101,497)	-	
Governance costs	-	17,689	11,793	21,620	16,707	10,810	10,810	8,845	(98,274)	-	-	
	814,430	2,567,420	1,850,101	3,085,633	2,410,616	1,507,135	1,126,682	836,463	-	-	14,198,480	

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

<b>Fees payable to the charity's auditor and associates:</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Audit of the charity's annual accounts	21,240	19,200
	<u>          </u>	<u>          </u>
<b>Non-audit services</b>		
Audit-related assurance services	7,920	-
Other assurance services	6,375	4,965
	<u>          </u>	<u>          </u>
<b>Total non-audit fees</b>	<b>14,295</b>	<b>4,965</b>
	<u>          </u>	<u>          </u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. During the year £174 (2019: £13,064) of expenses were reimbursed to a trustee.

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Restricted funds projects	118	90
Unrestricted funds projects	69	56
Designated funds projects	13	-
	<u>200</u>	<u>146</u>

#### Employment costs

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	9,044,080	6,973,836
Social security costs	614,117	461,987
Other pension costs	292,744	238,950
Other employment related costs and temps	572,812	391,284
Holiday pay accrual	325,651	-
	<u>10,849,404</u>	<u>8,066,057</u>

During the period a total amount of £211,277 (2019: £nil) of termination and redundancy was paid to 4 employees according to the charity's accounting policy. The full amounts due to employees were made in full in the year ended 31 December 2020 and have been included in other employment related costs. This was primarily related to re-structuring within the organisation.

Due to the global pandemic the charity changed its policy on the number of holiday days that employees could carry forward to the next year. This increased the holiday pay accrual to a material amount and therefore the accumulative position has been provided for in the current year. If the accrual had been provided in previous years the accrued position at 31 December 2019 would have been £181,047.

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	11	10
£70,001 - £80,000	2	1
£80,001 -£90,000	2	4
£90,001-£100,000	2	-
£100,001 - £110,000	1	-
£120,001 - £130,001	3	2
£130,001- £140,000	-	1
£140,001 - £150,000	1	-
£200,000-£210,000	-	1
£210,001 - £220,000	1	-
	<u>1</u>	<u>1</u>

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Employees

(Continued)

Pension contributions for employees whose annual remuneration was £60,000 or more amounted to £69,496 (2019: £63,012).

#### Remuneration of key management personnel

The Key management personnel of ClientEarth comprises of the CEO. The remuneration of key management personnel, is as follows.

	2020 £	2019 £
Salary	214,200	210,000
Employers national insurance	29,753	27,730
Pension contributions	8,400	17,900
	<u>252,353</u>	<u>255,630</u>

### 12 Net gains/(losses) on investments

	Endowment funds designated 2020 £	Total 2019 £
Revaluation of investments	1,221,976	-
	<u>1,221,976</u>	<u>-</u>

### 13 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2020	52,750
Additions - internally developed	65,988
At 31 December 2020	<u>118,738</u>
<b>Amortisation and impairment</b>	
At 1 January 2020	22,858
Amortisation charged for the year	23,749
At 31 December 2020	<u>46,607</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>72,131</u>
At 31 December 2019	<u>29,892</u>



# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Tangible fixed assets

	Fixtures, fittings & equipment £	Computers £	Total £
<b>Cost</b>			
At 1 January 2020	46,630	215,866	262,496
Additions	18,775	168,179	186,954
At 31 December 2020	65,405	384,045	449,450
<b>Depreciation and impairment</b>			
At 1 January 2020	19,686	105,934	125,620
Depreciation charged in the year	12,960	57,073	70,033
At 31 December 2020	32,646	163,007	195,653
<b>Carrying amount</b>			
At 31 December 2020	32,759	221,038	253,797
At 31 December 2019	26,944	109,932	136,876

### 15 Fixed asset investments

	Investments £
<b>Cost or valuation</b>	
At 1 January 2020	-
Additions	20,640,959
Valuation changes	1,207,833
Exchange movement	(510,316)
Disposals	(8,582,127)
At 31 December 2020	12,756,349
<b>Carrying amount</b>	
At 31 December 2020	12,756,349
At 31 December 2019	-

The investment portfolio is managed by Sarasin & Partners LLP. The investments are stated at market value as at the year end.

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
GROUP		
Other debtors	418,241	95,209
Prepayments and accrued income	3,449,948	1,638,103
	<u>3,868,189</u>	<u>1,733,312</u>
	<u><u>3,868,189</u></u>	<u><u>1,733,312</u></u>
PARENT CHARITY		
Other debtors	214,476	101,696
Prepayments and accrued income	3,526,131	1,596,254
	<u>3,740,607</u>	<u>1,697,950</u>
	<u><u>3,740,607</u></u>	<u><u>1,697,950</u></u>

### 17 Other creditors falling due within one year

	2020	2019
	£	£
GROUP		
Other creditors	660,159	335,325
Accruals and deferred income	502,765	86,979
	<u>1,162,924</u>	<u>422,304</u>
	<u><u>1,162,924</u></u>	<u><u>422,304</u></u>
PARENT CHARITY		
Other creditors	860,810	195,687
Accruals and deferred income	359,260	61,646
	<u>1,220,070</u>	<u>257,333</u>
	<u><u>1,220,070</u></u>	<u><u>257,333</u></u>

### 18 Retirement benefit schemes

ClientEarth operates defined contribution pension schemes for staff in the UK and Belgium. These schemes match employee contributions up to a maximum of 5% of pensionable salary and staff are automatically enrolled into the relevant scheme in line with government legislation. No employees receive benefits under a defined benefit pension scheme. The assets of the schemes are held separately from those of the charity in independently administered funds

The charge to profit or loss in respect of defined contribution schemes was £292,744 (2019: £238,950).

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Group and Parent

	Movement in funds			Balance at 31/12/20 £
	Balance at 1/1/2020 £	Incoming resources £	Resources expended £	
<b>Rule of Law</b>				
European Commission DG Environment (LIFE programme)	(176,802)	175,760	1,042	-
Children's Investment Fund Foundation - China 2018-21	136,718	624,162	(490,631)	270,249
European Union via GOPA	11,185	111,620	(120,767)	2,038
MacArthur Foundation 2018-21	(27,479)	228,987	(201,508)	-
MacArthur NGO Fund 2019-21	14,682	-	-	14,682
Esmée Fairbairn Foundation - Brexit	254,184	42,688	(296,872)	-
World Wildlife Fund 2019	671	-	(671)	-
Waterloo Foundation 2019-20	15,428	-	(15,428)	-
Funders for Fair Trade 2019-20	77,486	(1,296)	(76,190)	-
Norwegian Embassy Biodiversity seminars	-	7,837	(7,837)	-
Green Alliance 2020	-	50,000	(50,000)	-
Asia Development Bank 2020	-	25,136	(25,136)	-
SDSNA - UN China 2020	-	19,147	(19,147)	-
Henocq Law Trust 2020	-	100,000	(28,752)	71,248
Therium Access 2020-21	-	50,000	(15,169)	34,831
World Resources Institute - WRI 2020	-	59,770	(63,459)	(3,689)
Waterloo Foundation 2020-21	-	40,000	(14,745)	25,255
Hewlett Foundation 2020 -21	-	194,332	-	194,332
Funders for Fair Trade 2020-21	-	93,271	11,242	82,029
Samworth Foundation 2020-2023	-	100,000	-	100,000
Climate Imperative Foundation 2021	-	187,557	-	187,557
Grantham China 2020/21	-	750,227	-	750,227
SDSNA - 2020 -21	-	-	8,982	(8,982)
				-
<b>Climate and the Paris agreement</b>				
Children's Investment Fund Foundation - Climate Accountability 2018-21	94,277	396,259	(364,064)	126,472
Children's Investment Fund Foundation - Company Financial 2018-21	111,129	155,658	(189,608)	77,179
The Sunrise Project 2019-20	16,232	-	(16,232)	-
Friends Provident Foundation 2019-20	-	94,428	(94,428)	-
Wallace Global Fund 2019-20	7,639	-	(7,639)	-
Sainsbury Family Charitable Trusts (Mark Leonard Trust/ Ashden Trust/JJ Charitable Trust - Finance 2019-21	40,961	75,000	(78,274)	37,687
Pickwell Foundation 2019-22	14,025	30,000	(27,454)	16,571
The Sunrise Project 2021	-	-	(725)	(725)
* Jane Thompson	-	13,459	(5,477)	7,982
Quadrature Climate Foundation 2020	-	33,157	(33,157)	-
Climate Crisis Foundation 2020-21	-	2,437	-	2,437
Grantham SEES Asia 2020-21	-	750,227	-	750,227
Sub total	590,336	4,409,823	(2,262,552)	2,737,607

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Restricted funds

(Continued)

	Balance at 1/1/2020	Incoming resources	Resources expended	Balance at 31/12/20
	£	£	£	£
Brought forward from previous page	590,336	4,409,823	(2,262,552)	2,737,607
<b>Energy Transition</b>				
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (EUKI)	(22)	1,815	(1,793)	-
European Commission - Horizon 2020	60,694	25,893	(94,893)	(8,306)
Children's Investment Fund Foundation - Energy Markets 2018-21	57,121	137,753	(146,650)	48,224
Children's Investment Fund Foundation - Coal 2018-21	181,722	320,069	(333,650)	168,141
European Climate Foundation (ECF) - EU State Aid 2019	(5,061)	4,845	216	-
ECF - EU Internal Energy Markets 2019	(6,627)	6,346	281	-
Bloomberg Energy Markets via ECF 2019-20	(13,043)	101,444	(88,401)	-
ECF - Poland Coal & Clean Air 2019	(6,213)	6,281	(68)	-
ECF - Poland Energy Market Transition 2019	(17,968)	18,193	(225)	-
Bloomberg Energy Poland via ECF 2019-20	1,836	20,670	(22,506)	-
Kestrelman Trust - Energy Poland 2019-20	15,000	-	(15,000)	-
ECF Poland 2020 - Coal	-	78,593	(78,593)	-
ECF Poland 2020 Energy Sector	-	30,564	(30,564)	-
ECF Poland 2020 Climate Youth Movement	-	39,190	(35,670)	3,520
Bloomberg 2020 - 21 Poland	-	61,084	(63,533)	(2,449)
Kestrelman Trust 2020 - 21	-	46,000	(14,976)	31,024
ECF State Aid 2020 Bridge funding	-	19,119	(19,119)	-
Tilia Foundation 2020	-	139,665	(139,665)	-
Green Alliance 2020	-	100,000	(100,000)	-
ECF State Aid 2020-21	-	82,781	(71,910)	10,871
ECF IEM 2020-21	-	201,873	(143,242)	58,631
Bloomberg 2020 - 21 Energy	-	137,783	(157,269)	(19,486)
* German Postcode Lottery 2020-21	-	225,670	(112,694)	112,976
Wellspring Fund 2020 -22	-	579,482	-	579,482
Tolkien Trust 2021	-	100,000	-	100,000
				-
<b>Pollution and Health</b>				
Trust for London 2018-21	9,390	85,000	(86,154)	8,236
Children's Investment Fund Foundation - Clean Air 2018-21	114,579	294,383	(305,895)	103,067
John Ellerman Foundation	24,794	-	(24,794)	-
Postcode Green Trust - Air Quality 2020	250,000	-	(250,000)	-
Global Greengrants Fund 2018-20	93,282	16	(93,298)	-
Plastics Solutions Fund (Zero Waste Europe) 2019-20	(4,253)	10,318	(6,065)	-
European Environmental Health Initiative 2019-20 - through Oak Foundation	2,371	-	(2,371)	-
Savitri Waney Charitable Trust 2019-20	10,358	30,000	(4,290)	36,068
Becht Harmful Chemicals 2020-22	-	96,967	(55,254)	41,713
EEHI 2020-21	-	26,213	(23,268)	2,945
Rethink Plastic Alliance 2020-21	-	10,440	(15,531)	(5,091)
Global Greengrants Fund (Marisla) 2020-2	-	150,177	(91,480)	58,697
Sub total	1,358,296	7,598,450	(4,890,876)	4,065,870

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Restricted funds

(Continued)

	Balance at 1/1/2020	Incoming resources	Resources expended	Balance at 31/12/20
	£	£	£	£
Brought forward from previous page	1,358,296	7,598,450	(4,890,876)	4,065,870
<b>Forests</b>				
UK Department for International Development (DFID) - FGMC 2018-21	369,921	1,036,126	(1,166,522)	239,525
Waterloo Foundation - UK NGO Coalition on forests 2018-19	9,152	24,798	(33,950)	-
The Tilia Fund 2019-22 via CE US	139,702	365,361	(301,161)	203,902
SEM Trust - Community Forestry 2019-20	9,167	-	(9,167)	-
European Forest Institute 2019-21	(6,627)	39,256	(30,180)	2,449
DFID-MFGAP 2019-22	2,890	42,275	(49,231)	(4,066)
EU DG Home WWF 2019-21	(1,332)	20,843	(13,051)	6,460
EFI Cote d'Ivoire	-	15,196	(15,196)	-
EFI Congo 2020	-	9,294	(9,294)	-
Climate Advisors 2020	-	45,910	(45,910)	-
			-	-
<b>Oceans</b>				
Membership contributions to the UK Sustainable Seafood Coalition	13,732	49,233	(53,163)	9,802
Funding Fish 2019-20	86,052	-	(86,052)	-
Levine Family Foundation 2019-20	23,949	7,000	(30,949)	-
Adessium Foundation - Fisheries 2019-21	57,340	118,171	(133,491)	42,020
Savitri Waney Charitable Trust - Oceans 2019	4,105	50,000	(12,646)	41,459
Walton Family Foundation 2019-20	92,685	241,775	(268,769)	65,691
Becht Fisheries 2020-23	-	177,538	(153,302)	24,236
WAITT Institute 2020	-	7,668	(7,668)	-
Rethink Plastics Alliance - Plastics	-	13,933	(24,496)	(10,563)
Ocean5 2020-23	-	215,000	(136,803)	78,197
Minderoo 2020	-	78,072	(78,072)	-
			-	-
<b>Wildlife</b>				
Arcadia Fund 2018-23	383,405	385,811	(410,880)	358,336
European Nature Heritage Fund 2019-21	8,173	101,796	(95,746)	14,223
Kestrelman Trust - Wildlife 2019-20	29,213	-	(29,213)	-
The Tides Foundation - Patagonia 2019-20	26,661	-	(26,661)	-
Grantham Foundation for the Protection of the Environment 2019-23 - via CE US	125,066	187,557	(248,871)	63,752
Evans Family Foundation 2019-20 - via CE US	57,066	-	(57,066)	-
Evans Family 2020-21	-	187,722	(86,286)	101,436
Becht Wildlife 2020-21	-	41,899	(42,480)	(581)
Seas at Risk 2020	-	17,837	(17,837)	-
Kestrelman Trusts - Wildlife 2020-21	-	40,000	-	40,000
Levine Family Foundation 2020-21	-	27,000	(12,855)	14,145
Wildlife & Habitats Oak Foundation 2020	-	30,800	-	30,800
FOEN - Swiss Confederation 2020	-	26,840	(26,840)	-
Sub total	2,788,616	11,203,161	(8,604,684)	5,387,093

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Restricted funds

(Continued)

	Balance at 1/1/2020	Incoming resources	Resources expended	Balance at 31/12/20
	£	£	£	£
Brought forward from previous page	2,788,616	11,203,161	(8,604,684)	5,387,093
<b>Strategic Climate Litigation (redistributed across Climate, Energy and Pollution and Health)</b>				-
Children's Investment Fund Foundation - Strategic Climate Litigation 2018-21	1,935,347	2,210,993	(2,472,210)	1,674,130
Bloomberg - Strategic Climate Litigation via European Climate Foundation 2019-20	40,853	96,295	(137,148)	-
Adverse Costs Fund	209,473	-	17,901	227,374
Litigation Support Fund	-	-	-	-
CIFF Asia 2020-22	-	944,944	(542,767)	402,177
Bloomberg Strategic Litigation 2020-21	-	298,360	(284,125)	14,235
				-
<b>Restricted core grants (supporting all charitable activities above)</b>				-
Esmee Fairbairn Foundation - core	-	(42,692)	42,692	-
Thomas and Julie Hoegh 2020-24	-	50,000	-	50,000
* German Office (Hermann Bruhn)	6,110	-	(608)	5,502
* German Office 2019-23 (Hermann Bruhn)	170,361	178,884	(7,495)	341,750
* Germany Office Forestry	12,777	12,781	(20,882)	4,676
* Forum for Active Philanthropy 2020		44,864	(13,152)	31,712
* EU Life+ Germany 2020	-	216,438	(211,311)	5,127
	-----	-----	-----	-----
Total	5,163,537	15,214,028	(12,233,789)	8,143,776
	=====	=====	=====	=====

Funds marked \* relate to subsidiaries

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Restricted funds comparative figures

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Group and Parent	Movement in funds			Balance at 31/12/19 £
	Balance at 1/1/2019 £	Incoming resources £	Resources expended £	
<b>Rule of Law</b>				
European Commission DG Environment (LIFE programme)	(113,199)	141,268	(204,871)	(176,802)
Children's Investment Fund Foundation - China 2018-21	276,943	386,573	(526,798)	136,718
European Union via GOPA	(155)	214,599	(203,259)	11,185
Chris Hohn Foundation - China, external costs	857	(61)	(796)	-
MacArthur Foundation 2018-21	128,824	246,512	(402,815)	(27,479)
Thirty Percy Foundation 2018-19	50,000	50,000	(100,000)	-
MacArthur NGO Fund 2019-21	-	204,414	(189,732)	14,682
Esmée Fairbairn Foundation - Brexit	332,099	228,656	(306,571)	254,184
Waterloo Foundation 2018-19	16,429	-	(16,429)	-
European Climate Foundation via Green Alliance 2018-19	40,036	49,290	(89,326)	-
Calouste Gulbenkian Foundation - Brexit	37,170	-	(37,170)	-
Funders for Fair Trade 2018-19	80,350	-	(80,350)	-
World Wildlife Fund 2019	-	671	-	671
Harbour Seal 2019-20	-	14,000	(14,000)	-
Waterloo Foundation 2019-20	-	25,000	(9,572)	15,428
Funders for Fair Trade 2019-20	-	85,180	(7,694)	77,486
<b>Climate and the Paris agreement</b>				
Pickwell Foundation 2017-19	4,553	-	(4,553)	-
The Sunrise Project 2018-19	17,353	(247)	(17,106)	-
Sainsbury Family Charitable Trusts (Mark Leonard Trust/ Ashden Trust/JJ Charitable Trust - Finance 2017-19)	29,256	-	(29,256)	-
Children's Investment Fund Foundation - Climate Accountability 2018-21	67,939	314,601	(288,263)	94,277
Children's Investment Fund Foundation - Company Financial 2018-21	92,401	256,151	(237,423)	111,129
The Sunrise Project 2019-20	85,000	247	(69,015)	16,232
Friends Provident Foundation 2019-20	-	94,950	(94,950)	-
Wallace Global Fund 2019-20	-	37,547	(29,908)	7,639
Sainsbury Family Charitable Trusts (Mark Leonard Trust/ Ashden Trust/JJ Charitable Trust - Finance 2019-21)	-	75,000	(34,039)	40,961
Pickwell Foundation 2019-22	-	25,000	(10,975)	14,025
<b>Energy Transition</b>				
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety - European Climate Initiative (EUKI)	(2,952)	65,612	(62,682)	(22)
European Climate Foundation - EU Internal Energy Markets 2018	(5,749)	5,749	-	-
European Climate Foundation - EU State Aid 2018	(3,393)	3,432	(39)	-
European Commission - Horizon 2020	139,646	-	(78,952)	60,694
Children's Investment Fund Foundation - Energy Markets 2018-21	92,502	225,099	(260,480)	57,121
Sub total	1,365,910	2,749,243	(3,407,024)	708,129

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Restricted funds comparative figures

(Continued)

	Balance at 1/1/2019	Incoming resources	Resources expended	Balance at 31/12/19
	£	£	£	£
Brought forward from previous page	1,365,910	2,749,243	(3,407,024)	708,129
Children's Investment Fund Foundation - Coal 2018-21	93,686	415,786	(327,750)	181,722
Bloomberg Energy Markets via European Climate Foundation 2018-19	14,110	31,102	(45,212)	-
European Climate Foundation - Poland Coal and Clean Air 2018	(4,715)	4,715	-	-
European Climate Foundation - Poland Energy Market Transition 2018	(2,075)	2,075	-	-
Kestrelman Trust - Energy Poland 2018-19	15,810	-	(15,810)	-
Bloomberg Energy Poland via European Climate Foundation 2018-19	23,116	16,167	(39,283)	-
European Climate Foundation - EU State Aid 2019	-	45,532	(50,593)	(5,061)
European Climate Foundation - EU Internal Energy Markets 2019	-	66,299	(72,926)	(6,627)
Bloomberg Energy Markets via European Climate Foundation 2019-20	-	112,540	(125,583)	(13,043)
* German Postcode Lottery - Germany Coal	-	51,333	(51,333)	-
European Climate Foundation - Poland Coal and Clean Air 2019	-	55,918	(62,131)	(6,213)
European Climate Foundation - Poland Energy Market Transition 2019	-	17,468	(35,436)	(17,968)
Bloomberg Energy Poland via European Climate Foundation 2019-20	-	49,372	(47,536)	1,836
Kestrelman Trust - Energy Poland 2019-20	-	30,000	(15,000)	15,000
<b>Pollution and Health</b>				
Clean Air campaign donations	3,306	-	(3,306)	-
City Bridge Trust	10,934	12,500	(23,434)	-
Clean Air legal strategies donation 2018	30,811	-	(30,811)	-
Children's Investment Fund Foundation - Air Quality Campaign	6,123	-	(6,123)	-
Trust for London 2018-21	5,018	85,000	(80,628)	9,390
Children's Investment Fund Foundation - Clean Air 2018-21	88,013	241,821	(215,255)	114,579
Green Budget Europe	2,690	(2,690)	-	-
John Ellerman Foundation	27,376	50,000	(52,582)	24,794
Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ) - European Climate Initiative (EUKI)	41,437	(4,592)	(36,845)	-
Postcode Green Trust - Air Quality 2019	250,000	-	(250,000)	-
Postcode Green Trust - Air Quality 2020	-	250,000	-	250,000
European Environmental Health Initiative 2018-19 - through Oak Foundation	2,327	-	(2,327)	-
Plastics Solutions Fund (Zero Waste Europe) 2018-19	(4,600)	9,053	(4,453)	-
Global Greengrants Fund 2018-20	75,743	164,341	(146,802)	93,282
Clean Air legal strategies donation 2019	-	75,000	(75,000)	-
Plastics Solutions Fund (Zero Waste Europe) 2019-20	-	9,839	(14,092)	(4,253)
European Environmental Health Initiative 2019-20 - through Oak Foundation	-	25,902	(23,531)	2,371
Sub total	2,045,020	4,563,724	(5,260,806)	1,347,938



# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Restricted funds comparative figures

(Continued)

	Balance at 1/1/2019	Incoming resources	Resources expended	Balance at 31/12/19
	£	£	£	£
Brought forward from previous page	2,045,020	4,563,724	(5,260,806)	1,347,938
Savitri Waney Charitable Trust 2019-20	-	30,000	(19,642)	10,358
<b>Forests</b>				
UK Department for International Development (DFID) via the International Institute for Environment and Development (IIED)	23,023	9,402	(32,425)	-
UK Department for International Development (DFID) - FGMC 2018-21	262,662	1,035,351	(928,092)	369,921
SEM Trust 2018-19	15,489		(15,489)	-
Waterloo Foundation - UK NGO Coalition on forests 2018-19	8,058	58,904	(57,810)	9,152
The Tilia Fund 2019-22 via CE US	-	291,015	(151,313)	139,702
SEM Trust - Community Forestry 2019-20	-	45,000	(35,833)	9,167
European Forest Institute 2019-21	-	20,356	(26,983)	(6,627)
DFID-MFGAP 2019-22	-	16,095	(13,205)	2,890
EU DG Home WWF 2019-21	-		(1,332)	(1,332)
<b>Oceans</b>				
Membership contributions to the UK Sustainable Seafood Coalition	20,898	45,854	(53,020)	13,732
Walton Family Foundation 2017-19	25,024	121,608	(146,632)	-
Pig Shed Trust 2018-19	61,784		(61,784)	-
Funding Fish 2018-19	61,456		(61,456)	-
Marine protection and plastics donation 2018-19	14,610	37,500	(52,110)	-
Seas At Risk CFP Project 2019-20	-	92,929	(92,929)	-
Funding Fish 2019-20	-	209,999	(123,947)	86,052
Levine Family Foundation 2019-20	-	63,000	(39,051)	23,949
Adessium Foundation - Fisheries 2019-21	-	140,324	(82,984)	57,340
Savitri Waney Charitable Trust - Oceans 2019	-	50,000	(45,895)	4,105
Walton Family Foundation 2019-20	-	186,119	(93,434)	92,685
Seas at Risk, consultancy 2019	-	8,620	(8,620)	-
<b>Wildlife</b>				
Kestrelman Trust – Wildlife 2018-19	19,773		(19,773)	-
Arcadia Fund 2018-23	259,334	485,504	(361,433)	383,405
European Nature Heritage Fund 2019-21	-	60,438	(52,265)	8,173
Kestrelman Trust - Wildlife 2019-20	-	40,000	(10,787)	29,213
The Tides Foundation - Patagonia 2019-20	-	26,739	(78)	26,661
Grantham Foundation for the Protection of the Environment 2019-23 - via CE US	-	190,383	(65,317)	125,066
Evans Family Foundation 2019-20 - via CE US	-	196,632	(139,566)	57,066
Sub total	2,817,131	8,025,496	(8,054,011)	2,788,616

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Restricted funds comparative figures

(Continued)

	Balance at 1/1/2019	Incoming resources	Resources expended	Balance at 31/12/19
	£	£	£	£
Brought forward from previous page	2,817,131	8,025,496	(8,054,011)	2,788,616
Strategic Climate Litigation (redistributed across Climate, Energy and Pollution and Health)				
Chris Hohn Foundation - Strategic Climate Litigation, external costs	687,397	61	687,458	-
Wallace Global Fund - Strategic Climate Litigation 2018-19	8,384		(8,384)	-
Children's Investment Fund Foundation - Strategic Climate Litigation 2018-21	855,769	3,068,050	(1,988,472)	1,935,347
Bloomberg - Strategic Climate Litigation via European Climate Foundation 2018-19	<b>249293</b>	<b>115733</b>	<b>365026</b>	<b>0</b>
Bloomberg - Strategic Climate Litigation via European Climate Foundation 2019-20	-	333,907	(293,054)	40,853
Adverse Costs Fund	-		209,473	209,473
<b>Restricted core grants (supporting all charitable activities above)</b>				
Esmee Fairbairn Foundation - core	-	271,344	(271,344)	-
* German Office (Hermann Bruhn)	-	13,971	(7,861)	6,110
* German Office 2019-23 (Hermann Bruhn)	-	170,361		170,361
* Germany Office Forestry	-	12,777		12,777
Total	4,617,974	12,011,700	(11,466,137)	5,163,537
Funds marked * relate to subsidiaries				

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 20 Designated funds

The trustees resolved to voluntarily designate the unrestricted lottery income received in 2020 to targeted projects across coal, energy systems, climate finance, climate accountability and clean air programmes, engagement activities for COP26, fundraising, and to organisation effectiveness projects.

Also during the year part of the previously designated Gilmour-Samson gift funds have been spend on particular pieces of work to help ClientEarth better meet its charitable objectives.

	Balance at 1 January 2019		Transfers		Balance at 1 January 2020		Movement in funds				Balance at 31 December 2020	
	£	£	£	£	£	£	Incoming resources	Resources expended	Transfers	Investments gains/losses	£	£
Gilmour-Samson gift	-	12,171,179	12,171,179	12,171,179	98,108	(1,986,522)	-	1,221,976	11,504,741			
People's Postcode Lottery income	-	-	-	-	-	2,023,742	-	-	2,023,742	-	-	2,023,742
	-	12,171,179	12,171,179	12,171,179	98,108	(1,986,522)	98,108	(1,986,522)	2,023,742	1,221,976	13,528,483	

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total		Total 2019	Total 2019
	2020	£	2020	£	2020	£	2020	£		
Fund balances at 31 December 2020 are represented by:										
Intangible fixed assets	72,131		-		-		72,131	29,892	-	29,892
Tangible assets	253,797		-		-		253,797	136,876	-	136,876
Investments	-		12,756,349		-		12,756,349	-	-	-
Current assets/(liabilities)	4,046,538		772,134		8,143,776		12,962,448	3,380,793	12,171,179	20,715,509
	4,372,466		13,528,483		8,143,776		26,044,725	3,547,561	12,171,179	20,882,277

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	353,237	706,323
Between two and five years	460,602	536,806
In over five years	31,609	35,488
	<u>845,448</u>	<u>1,278,617</u>

### 23 Related party transactions

During the year the charity received restricted grants totalling £5,084,221 from the Children's Investment Fund Foundation (CIFF) (2019: £4,908,081), a foundation of which Sonia Medina (a trustee) is an employee. Sonia Medina sits on ClientEarth's board of trustees as the representative of CIFF.

During the year the charity received a restricted grant of £75,000 from The Ashden Trust (2019: £75,000) a trust of which Sarah Butler-Sloss (a trustee) is also a trustee.

During the year the charity received an unrestricted grant of £250,000 from The J. Van Mars Foundation (2019: £187,375), a foundation of which the members of the band Coldplay (patrons) are trustees.

During the year the charity received an unrestricted grant of £15,000 from The Martin Smith Foundation (2019: £15,000), a foundation of which Sir Martin Smith (a trustee) is also a trustee.

During the year the charity received an unrestricted grant of £7,633 from The Prospect Hill Foundation (2019: £nil), a foundation of which Frances Beinecke (a trustee) is also a trustee.

During the year the charity received a total of £124,824 in unrestricted donations (2019: £74,523) and £178,884 in restricted to core donations from trustees (2019: £178,916).

### 24 Associates

Details of the charity's associates at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
Climate Transition Expert Group Limited	England & Wales	Dormant	Ordinary	33

# CLIENTEARTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 25 Subsidiaries

The following subsidiaries are all charitable entities with no share capital, and are all consolidated in these accounts

Details of the charity's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	% Held
Client Earth France	86, boulevard Raspail, 75006 Paris, France	Dormant	100.00
ClientEarth AISBL	1050 Bruxelles, Rue du Trone 60, Belguim	Charity	100.00
ClientEarth gGmbH	Objekt Albrechtstrasse 22, 10117 Berlin, Germany	Charity	100.00
Fundacja ClientEarth Prawnicy dla Ziemi (ClientEarth Poland)	Zurawia 45 (staircase B, 2nd floor), 00-680 Warsaw, Poland	Charity	100.00
ClientEarth ASBL	17 Route d'Arlon, L-8009 Strassen, Luxembourg	Charity	100.00

### 26 Analysis of changes in net funds

The charity had no debt during the year.

### 27 Cash generated from operations

	2020 £	2019 £
Surplus for the year	5,162,448	15,290,484
Adjustments for:		
Investment income recognised in statement of financial activities	(155,106)	(30,985)
Fair value gains and losses on investments	(1,221,976)	-
Foreign exchange gains and losses on investments	510,316	-
Depreciation and impairment of tangible fixed assets	93,782	61,807
Movements in working capital:		
(Increase) in debtors	(2,134,877)	(161,962)
Increase/(decrease) in creditors	740,620	(110,163)
<b>Cash generated from operations</b>	<b>2,995,207</b>	<b>15,049,181</b>