

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



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

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

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

30th JUNE 2022

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Reference and administrative information

Trustees

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

Registered address

IEEP Offices - 25 EP 25 Eccleston Place
London SW1W9NF

Company registration number

02458951

Charity registration number

802956

Auditor

Buzzacott LLP 130 Wood Street London
EC2V 6DL

Bankers

National Westminster Bank Tavistock
House Tavistock Square London WC1H
9XA

Solicitors

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

Trustee's report Year to 30 June 2022

Trustees' report

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

Objects and policies of the Charity

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

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

Aims and activities

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

Trustee's report Year to 30 June 2022

Aims and activities (continued)

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

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

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

Trustee's report Year to 30 June 2022

Aims and activities (continued)

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

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

Trustee's report Year to 30 June 2022

Aims and activities (continued)

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

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

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

Trustee's report Year to 30 June 2022

Review of the period

Achievements and financial performance in 2021/2022

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

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

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

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

Trustee's report Year to 30 June 2022

Objectives, aims and plans for future periods

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

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

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

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

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

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

Trustee's report Year to 30 June 2022

Public benefit

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

Financial review

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

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

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

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

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

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

Trustee's report Year to 30 June 2022

Reserves policy

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

Treasury management policy

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

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

Risk management in light of COVID-19

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

Trustee's report Year to 30 June 2022

Risk management in light of COVID-19 (continued)

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

The measures included:

1- Contingency planning around project delivery and other key processes

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

2- HR

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

Trustee's report Year to 30 June 2022

Risk management in light of COVID-19 (continued)

3- Finance and fundraising

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

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

4- Systems

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

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

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

i. Note about office closures

ii. Regular notes to staff outlining key guidelines

iii. Regular management communications in writing

iv. Virtual all staff meetings on Monday

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

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

Structure, governance and management

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

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

Trustee's report Year to 30 June 2022

Structure, governance and management (continued)

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

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

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

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

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

Key management and setting their remuneration

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

Trustee's report Year to 30 June 2022

Relationships with Others

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

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

Fundraising

The charity does not carry out any public fundraising.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Trustee's report Year to 30 June 2022

Statement of Trustees' responsibilities (continued)

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

Each of the Trustees confirms that:

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

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

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

Independent Examiner

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

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

On behalf of the Board:

Malini Mehra
Chair



Date: 21 March 2023

Independent examiner's report Year to 30 June 2022

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

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

Responsibilities and basis of report

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

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

Independent examiner's statement

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

- .. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- .. the financial statements do not accord with those records; or
- .. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- .. the financial statements have not been prepared in accordance with the methods and principles of "Accounting and Reporting by Charities: the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

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



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

23 March 2023

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

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

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

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

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

Institute for European Environmental Policy, London

Balance Sheet as at 30 June 2022

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


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

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

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

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

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



Malini Mehra

Chair

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

Institute for European Environmental Policy, London
Company registration number : 02458951 (England and Wales)

Institute for European Environmental Policy, London

Statement of Cash Flows for the year ended 30 June 2022

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

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

Institute for European Environmental Policy, London

Principal accounting policies

For the year ended 30 June 2022

Principal accounting policies 30 June 2022

Basis of preparation

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

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

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

Institute for European Environmental Policy, London

Principal accounting policies

For the year ended 30 June 2022

Income

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

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

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

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

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

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

Expenditure

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

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

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

Foreign Currencies

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

Institute for European Environmental Policy, London

Principal accounting policies

For the year ended 30 June 2022

Pension Scheme Arrangements

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

Tangible fixed assets

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

Stocks

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

Fund Accounting

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

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

1 Income from Charitable Activities

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

All amounts in 2021 related to unrestricted funds

2 Other income

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

3 Total Expenditure

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

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

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

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

4 Employee information

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

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

5 Transactions with Trustees

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

6 Taxation

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

7 Tangible Fixed Assets

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

All assets are in use for charitable purposes.

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

8 Debtors

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

All amounts fall due within one year.

9 Cash at Bank

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

10 Creditors: Amounts falling due within one year

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

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

11 Financial Commitments

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

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

12 Unrestricted Funds

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

Designated Foreign Exchange Fund

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

13 Restricted Funds

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

14 Legal status

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

15 Related Party Transactions

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

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

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

16 Comparative statement of financial activities

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