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NOTE

From: General Secretariat of the Council

To: Delegations

Subject: ClientEarth Request for internal review under Title IV of the Aarhus Regulation in relation to Council Regulation (EU) 2022/109 of 27 January 2022 fixing for 2022 the fishing opportunities for certain fish stocks and groups of fish stocks applicable in Union waters and for Union fishing vessels in certain non-Union waters

Delegations will find attached additional annexes to the note on the above-mentioned subject, as received from ClientEarth.



Charity Registration No. 1053988

Company Registration No. 2863827 (England and Wales)

CLIENTEARTH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CLIENTEARTH

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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 2019. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

About ClientEarth

The science couldn't be clearer: we are facing a climate crisis that threatens the future of life on our planet. But we have the power to fix it. We need to take swift and systemic action that tackles climate change and protects the natural ecosystems that sustain our world. At ClientEarth we use the law to make these fundamental changes because it's the most powerful tool we have.

The organisation was founded in 2007 by leading environmental lawyer James Thornton and has been named the UK's most effective environmental organisation. We have 170 staff, largely lawyers and legal experts, working in our offices in London, Brussels, Berlin, Warsaw and Beijing and taking action in more than 50 countries across four continents, in order to ensure a future for civilisation.

Our focus is using the law because we know it is an incredibly powerful tool for change and environmental protection. We work on developing laws that combat climate change and protect nature. When those laws are broken, we go to court to enforce them. We have taken governments to court and won, stopping major polluting projects in their tracks. We have protected irreplaceable forests and rare creatures. The tough, diligent, patient use of the law lets us hold governments and business to account, protecting the rights of people and nature to a healthy planet.

An important element of our approach is working with partners to increase our reach, empowering people and charities to bring environmental cases of their own. Together, we are moving towards a future built on respect for environmental rights.

As we enter 2020, it is clear that the coming decade will decide the future of our planet – of our climate, oceans, forests, and ultimately all of earth's inhabitants. There has never been a more important time to fight for change and drive ambitious and focused action to tackle the pressing environmental challenges we face.

Our work is expanding to more countries than ever before, using the law to find positive solutions to local, national and global challenges. A particular area of focus will be earth's largest continent, Asia, where deforestation and an expanding coal pipeline threaten both people and the natural environment.

Introduction from Howard Covington, Chair of ClientEarth Board of Trustees

ClientEarth's work has never been so vital. We have just entered *the* critical decade in the battle against the climate crisis and our collective efforts over the next 10 years will decide the future of civilisation on our fragile planet. We need firm action and systemic change. We need to force governments and businesses to deliver on their climate and environmental obligations. At ClientEarth we believe that the law is the most powerful tool that we have to drive the change that we need.

2019 was a pivotal year in the battle of climate change. Citizen-led movements like Extinction Rebellion and Fridays Future pushed the issue up the political and media agenda. People across the world stood up and made their voices heard, demanding action, not words, from politicians, businesses and leaders. Action is ClientEarth's speciality.

I'm proud to say that it was another year of innovative action and impact at ClientEarth. We used litigation to block new coal plants across Europe, which would have pumped ever greater amounts of carbon into the atmosphere. We forced policy changes to block the use of poisonous chemicals in the plastics that we all use and to reduce the overall use of plastics across Europe. We supported Indigenous people in Australia to take action against their government over their inaction on climate change. We forced the EU to allow its citizens greater access to legally challenge actions and decisions that harm the environment.

Our efforts to embed the use of environmental law into China gathered pace. We have been training judges and prosecutors since we started our work there back in 2015 and the results have been staggering: 118,000 legal challenges against government and business, with a 95% success rate. This work is a perfect example of how the law can deliver systemic change.

We also continued to expand our work, with the launch of a new agriculture project and the growth in activity of our new Berlin office. Our expansion will continue in 2020 with a particular focus on stopping the planned expansion of coal plants in Asia. There are more than 300 new coal-fired plants in the region, if these proceed the impacts on the climate will be catastrophic.

I'd like to pay tribute to the remarkable team at ClientEarth that makes all of this remarkable work happen. In the 13 years since we started our work, we have built a team that is now unrivalled in terms of its expertise.

I am delighted to announce that 2019 saw the receipt of a transformative gift that will help ClientEarth and its partners around the globe to deliver its strategy to fight climate change and to build the resilience of the organisation. David Gilmour, of Pink Floyd, and his partner Polly Samson donated the proceeds of the sale of David's guitars to ClientEarth. This incredibly generous gift positions ClientEarth well to prepare for the challenging years ahead.

As we entered 2020 we are focused on the challenge of the decade. We have not been immune to the effects of the COVID-19 pandemic but I'm pleased to say that we have adjusted quickly with the whole staff working remotely and finding innovative ways to continue delivering impact in a virtual world. We know the task in front of us and we will always find ways to deliver on our mission.

Finally, I would like to thank all of our donors and supporters. We simply could not deliver our work without their continued generous support.

Howard Covington, Chair



Why we use the law - a note from CEO and Founder, James Thornton

Until 2007, Europe lacked a vital tool to defend nature and combat climate change.

Using law to protect the environment was a common concept in the United States but had not taken root over the Atlantic. ClientEarth changed that. We use environmental law to drive positive and lasting change, filling a gap in the legal landscape. From our base in the EU we work across four continents. Our innovative use of the law scores victories that uphold environmental rights and protect the natural world.

We have taken governments to court and won – and stopped major polluting projects in their tracks. We have protected irreplaceable forests and vulnerable species. We have empowered civil society to bring environmental cases of their own.

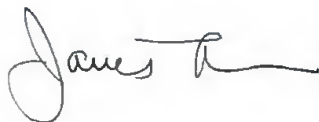
Together, we are taking strides towards a cleaner future where environmental rights take priority. A nationwide poll saw us named the “UK’s most effective environmental organisation” by the Environmental Funders Network.

After 13 remarkable years, we have reached a significant juncture, and we believe the planet is at a turning point, too. The world is changing dramatically, and the crucial years ahead will determine the health of the planet our children will inherit. Over the next five years, we will pressure governments and companies worldwide to bring the Paris Agreement to life, accelerating the transition to a net zero carbon economy.

We will continue to defend our oceans and protect the world’s precious forests and wildlife. We will speak up for people’s environmental rights and carry on our fight for access to justice for all. To meet these global challenges, we will draw on our unique expertise, leveraging the power of the law where it makes the greatest difference.

Our strategy commits us to expanding our work and its impacts. We are growing intelligently, building legal capacity where it is needed most. By forging strategic partnerships all over the world, we are maximising the reach and influence of the law. We have proved to a global audience that the law is a powerful tool that can fundamentally change the way we live in the world.

We see our work as pivotal to our shared future. We invite you to join us.



Organisational information

Our vision and mission

Our vision is a world that is protected by robust laws where people and nature thrive together. Our mission is to use the power of the law to protect people and the planet.

The power of the law

Law captures a society's values. The rules we agree to live by have enormous power when strategically deployed. Yet the interests of people and the environment are systematically under-represented in the forums of power. When used well, law has the power to create a level playing field between the interests of governments and companies, with people and the living world.

What we do

We use the power of the law to:

- Combat climate change and pollution
- Secure people's environmental rights
- Protect and restore habitats, wildlife and natural resources.

We do this by driving strong action from governments; shifting financial flows; changing markets, trade and business practices; and empowering citizens and communities. We apply our expertise in EU law, international law, common, and civil law for public good, where it can achieve the most impact.

Our values

In delivering our mission, we value:

- **Agility** - The freedom, nimbleness and drive to seize strategic opportunities
- **Boldness** - The audacity, passion and conviction to challenge the status quo and take risks
- **Creativity** - The ability to innovate, learn and collaborate to find solutions

Where we work

We work globally, with programmes and partnerships in Europe, China, in Central and West Africa and increasingly in Asia.

Our approach

Our starting point is always the power of the law but that doesn't always mean taking litigation. We use all the elements of law, from science to implementation, in what we call The Lifecycle of the Law:

- **Science:** We need to know what the science is saying and pay attention as science evolves.
- **Policy:** We advocate for the integration of science into policy, which also takes account of economics, politics and culture.

- **Legislation:** We help write laws that turn policy into enforceable rules. We ensure that regulated industries understand and agree to be bound by the law and the timelines and that citizens have provisions to go to court if the law is violated.
- **Implementation:** We make sure that laws are properly applied by the government bodies charged with making them work.
- **Enforcement:** We build a culture of compliance with environmental law.

Our strategic focus

Our five-year strategy identifies seven urgent global environmental challenges. In 2019, the third year of the strategy, we continued to bring the power of the law to respond to these challenges through a series of initiatives:

Rule of law

1. Justice and governance
2. International trade

Climate and the Paris agreement

3. Climate accountability
4. Climate finance

Energy transition

5. Coal
6. Energy markets

Pollution and health

7. Clean air, transport and cities
8. Harmful chemicals

Forests

9. Forests and land conversion
10. Forests and trade

Oceans protection

11. Marine habitats
12. Fisheries and seafood

Wildlife protection

13. Wildlife and habitat loss

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 Objectives and Activities, Achievements and Performance sections of this report.

Achievements and performance in 2019

In 2019 we continued to use our unique approach to tackle some of the world's most pressing environmental challenges and we're proud to say that we continued to deliver significant impact for the planet. We've outlined some of our highest impact work below.

World-first human rights climate case

We launched the world's first climate change litigation before the UN Human Rights Committee on human rights grounds. The action on behalf of Indigenous people from low-lying islands in the Torres Strait is being taken against the Australian Government. The complaint is the first such case to a UN Treaty Body and the first under the International Covenant on Civil and Political Rights.

World-first shareholder climate action

We received a judgment in our world first shareholder lawsuit against Europe's last proposed coal fired power station (Ostroleka C in Poland) on economic grounds, proving the investment would lose shareholders money. The court declared the company's resolution to proceed with the project invalid. The lawsuit means that the project, which at present does not have finance, is unlikely to proceed. We will apply the lessons of using corporation law for environmental protection across many of our programmes.

Protecting citizens from toxic chemicals

Our Chemicals team made real progress in protecting European citizens from chemicals that pose a threat to human health. We saw wins in litigation, parliament and transparency. The European Court agreed to quash the EU decision to authorise the use of carcinogenic and reprotoxic lead chromate pigments. Separately the European Chemical Agency (ECHA) officially listed the incredibly harmful Bisphenol A (BPA) under three separate categories in three separate decisions. We also obtained an end to the secrecy of industry data on the safety of chemicals in food and pesticides.

Blocking the expansion of coal in Poland

After seven years of legal action against Pórnoc power plant, we succeeded in blocking the plant as the Supreme Administrative Court issued a final judgment that quashed the plant's building permit. We also initiated our first case against Bełchatów power plant, Europe's largest emitter of CO₂. As well as the legal case, we launched a multi-pronged communications push against Bełchatów and the Złoczew open pit mine project, a new lignite reserve for Bełchatów power plant.

Reducing consumption of plastics

Our plastics work supported the adoption of six new EU directives on plastics, so putting plastic on the EU market will become harder and more expensive. This is the result of a number of years of lobbying of EU institutions, in coordination with partners, for the adoption of new and ambitious laws on plastic. As a result EU countries are now under a duty to achieve a substantial reduction of consumption trends for some items.

Phasing out coal in Greece

In Greece our work led to the Supreme Administrative Court annulling the environmental permits of two coal plants. We also successfully advocated against the sale of 40% of Greece's largest electric power company, PPC's, lignite assets to investors, as well as against the proposed capacity mechanism designed to fund lignite. The sale is now abandoned, as is the proposed capacity and the Government has instead announced plans to phase-out coal by 2028 - in line with the solution for which we have been advocating.

Greater access to justice

Our decade-long battle led to the European Commission admitting that its laws must be amended to allow greater access to justice and comply with the Aarhus Convention. Our case against the EU for not granting access to the EU courts to members of the public has resulted in the Commission recognising that the Aarhus Regulation should be revised. It has acknowledged that the types of EU actions that NGOs should have the right to challenge must be expanded. We will now ensure the Commission adopts a legislative proposal giving citizens more scope to challenge illegal acts of EU bodies.

Ground-breaking report

We published a ground-breaking report on the legal foundations for community forestry, based on an analysis of the experiences of the Philippines, Tanzania and Nepal. The report and its dissemination has opened new opportunities for collaboration in Asia. Following the report, ClientEarth was invited to engage in Laos and Vietnam, sharing lessons learned on our work with civil society on forest governance in Africa. We are also now starting to explore work on community forestry with new partners.

Cleaner air for European citizens

We won a case before the Court of Justice of the European Union (CJEU) that will ensure a stronger right to clean air for citizens across the EU. The ruling has the potential to strengthen access to justice in all environmental cases, as the CJEU has required national courts to carry out an intense review of administrative decisions in environmental cases whenever there are implications for fundamental rights. In the UK and Germany, we have seen the continuation of the domino effect, with announcements to introduce Clean Air Zones (CAZs) in Birmingham and Leeds and new diesel restrictions ordered in Germany (including key wins in appeals concerning the cities of Aachen and Cologne).

Supporting citizens to save homes

We launched a landmark campaign and case supporting a group of German citizens whose homes sit within four villages marked for demolition by utility RWE to make way for expansion of the Garzweiler opencast lignite mine. The campaign, "Menschenrecht vor Bergrecht" (human rights not mining rights), is trying not only to save the villagers' homes but to put pressure on RWE, which is the largest carbon-emitting company in Europe and attempting to brand itself as green at the same time as it acts in entirely the opposite direction.

Performance against our objectives in 2019

A detailed review of our 2019 objectives and activities against the global challenges in our five year strategy is set out below.

Rule of Law

1. Justice and Governance - Environmental democracy in the EU

The Aarhus Convention empowers citizens with the rights to access environmental information, participation in decision-making and access to courts to challenge violations of environmental law. The Convention is widely disrespected in the day-to-day functioning of the EU and most Member States. We work across ClientEarth's programmes to level the playing field between civil society, decision-makers and industry by implementing and enforcing the Aarhus Convention.

Access to justice: The EU has consistently failed to grant the public access to the EU courts. Our long-lasting case against the EU has finally resulted in the European Commission recognising that its Aarhus Regulation must be revised to broaden the types of acts that NGOs have the right to challenge. This will increase opportunities for strategic litigation at the EU level and address part of the democratic deficit within EU institutions.

Public participation: Public consultation is part of the Aarhus Convention, yet little action was taken to ensure meaningful public consultation on National Energy and Climate Plans. We supported the Energy Markets team to hold the EU accountable for non-compliance and the Aarhus Convention Compliance Committee (ACCC) have proposed recommendations to the EU to remedy this failure.

Fishing quotas: Fishing quota decision-making for the North East Atlantic is not done transparently by the European Council, contributing to continued overfishing. We submitted a complaint and the European Ombudsman ruled that the Council must publish all documents they rely on when adopting fishing quotas, which will provide civil society with the data required to challenge these quotas.

Judicial scrutiny: The European Investment Bank (EIB) is the biggest multilateral bank in the world and the new Climate Bank of the EU. Despite this, the EIB decided to fund a biomass plant in Spain. We challenged this decision before the General Court of the EU, which is the first time an NGO has challenged the EIB. The case is pending, and we hope it will set a precedent for other cases against unsustainable projects.

Other court challenges: Together with the Clean Air team, we challenged a provision requiring information on car emissions to be kept confidential. Before the Court adopted a ruling, the Commission withdrew the provision. However, this shows the impact of our litigation strategy. We also prepared complaints against Poland and Bulgaria for failing to provide for access to justice when citizens challenge their air quality plans. The Commission informed us that they will open infringement proceedings against both States.

During 2020: We will continue our collaboration with other ClientEarth teams, for example, pursuing transparency of industry data of the safety of chemicals in food and on fishing quota decision-making. We will ensure that rulings from the Court of Justice of the EU are implemented by EU institutions and that the Commission adopts a legislative process to ensure NGOs have broader access to EU and national courts.

1. Justice and governance - China

China is the world's largest emitter of greenhouse gases and has severe air pollution problems. China is also linked to global environmental problems, such as illegal wildlife trade, overfishing, and deforestation. We are helping the Chinese government to put in place robust systems and capacity for environmental justice and governance, including measures to mitigate impacts of overseas trade and investment.

Judicial capacity: In recent years, China's Supreme People's Court (SPC) and Supreme People's Procuratorate (SPP) (similar to the attorney general) have developed specialised environmental courts and prosecution offices. ClientEarth has been the primary international partner throughout this process. During 2019 we stepped up our work, training 800 judges in China, overseas, and through fellowships to other courts. We organised a two-week training in the UK for senior judges, in co-operation with Oxford University.

Preventative cases: It is not currently possible to bring preventative cases in China, for example, to challenge policies that have the potential to harm the environment. We conducted a joint study with the SPP on this topic, which was well received and is likely to result in preventative cases in 2020.

Public supervision: In 2018 we cooperated with a Chinese entity to establish a re-granting fund for capacity building of local environmental NGOs. In 2019 we raised USD 500,000 from the MacArthur Foundation for the Fund and agreed with major funders Hewlett, Bloomberg and MacArthur to dedicate several staff to further develop its governance. Over 60 applications were received and are under review.

COP15: We have helped to organise a series of EU-China workshops for biodiversity negotiators, to develop a more ambitious post-2020 biodiversity framework. This has provided an excellent platform to strengthen the linkages between climate and biodiversity governance, and to develop a solid implementation mechanism. ClientEarth is recognised as a key partner in preparation for CBD COP15 by the Ministry of Ecology and Environment in China.

Overseas Investments: ClientEarth is cooperating with WRI and the Ministry of Ecology and Environment to develop a Traffic Light System – a set of government guidelines for Chinese policy banks. This will include a classification system on environmental risk, early information disclosure and participation mechanisms, and support to decision making.

Challenges: China was hit hard by COVID-19 during December and into the first quarter of 2020. Physical meetings, training and delegations were postponed, however, our studies continue and we are switching many activities to online platforms.

During 2020: We are ascertaining the level of capacity building we can conduct online during 2020. Wildlife protection in China has become a top priority and we will use this major opportunity to shape the new law and train prosecutors. We will continue raising funds to finance NGO's public supervision work and will focus on preparations for COP15 and on greening the Belt and Road Initiative.

2. International trade - European trade agreements

International trade agreements often favour the interests of investors over public and environmental interests. We work to redress the balance between globalised business and environmental protection, to make trade work for the public and the environment as well as economic gain.

Investor State Dispute Settlement (ISDS): The ISDS enables foreign corporations to sue governments when environmental or social measures threaten their investments. This system is inherently biased because only international investors can initiate disputes, not governments, citizens nor domestic investors. During 2019, we focused on the implementation of the recent Achmea ruling, where the European Court of Justice (ECJ) interpreted ISDS as incompatible with EU law in intra-EU investment agreements.

Energy Charter Treaty (ECT): During 2019 we began engaging with the ECT – a multilateral investment treaty specific to the energy sector between the EU, its Member States, and other countries – and how it clashes with the Paris Agreement and EU climate and energy policies. Energy companies have already started to use the ECT to threaten governments' coal phase-out plans.

UN reforms: We continued our advocacy work at the United Nations, where ongoing discussions on ISDS reforms are occurring (UNCITRAL). We raised awareness about the risks of the EU's proposal to establish a Multilateral Investment Court (MIC) and the existence of alternatives to ISDS. We supported delegations of African countries, which are often under-resourced and intensively lobbied by the EU, and we advocated on the importance of aligning ISDS reforms with Sustainable Development Goals and Paris Agreement objectives.

Challenges: While other ClientEarth programmes focus on implementation, compliance and enforcement of environmental rules, our trade programme aims to contribute to the overarching goal of an economic system that respects the planetary boundaries and supports the achievement of social and environmental objectives. This requires the international trade regime to undergo a fundamental shift, which comes up against a huge lack of political will.

During 2020: We will continue to engage with decision-makers and support campaigners in their advocacy against ISDS threats to climate change efforts. We will push for improved governance and transparency in EU trade policy and deeper reform of EU international trade. We will also develop a more diversified strategy for improving the status of the environment in trade policy, through market-based environmental policy and legal instruments.

2. International trade - UK Environment and Brexit

The UK's exit from the European Union presents a constitutional challenge to our environmental law and governance. We are ensuring that the UK has strong environmental laws, an empowered civil society, and a more positive vision of nature's place in our society.

Environment Bill: During 2019 we successfully advocated for increases in the ambition and scope of the new UK Environment Bill, resulting in a comprehensive Bill covering matters such as air quality, waste and resources and, significantly, a new framework for environmental target setting. However, despite the widened ambition, the Bill leaves too much to Government discretion and does not yet create the step-change in environmental law and policy that is needed.

Office for Environmental Protection (OEP): The OEP will be a new 'watchdog' institution to oversee compliance with UK environmental law post-Brexit. We worked with parliamentary committees, government officials and leading lawyers (including a Supreme Court judge) to enhance the OEP's ability to hold power to account. We advocated for a judicial process that allows greater consideration of environmental disputes, resulting in the creation of a new 'environmental review' mechanism.

Non-regression: An overarching objective of our work is that UK environmental standards get better, not worse. We have pushed the emerging legal concept of 'environmental non-regression' into the mainstream debate, resulting in repeated commitments from senior government representatives, including the Prime Minister, that environmental standards will not be weakened. We worked to convert these commitments into legal requirements, including through a challenge to proposed changes to the Habitats Directive in the EU (Withdrawal) Act.

UK Trade Policy: Trade is increasingly at the forefront of popular narrative around Brexit. ClientEarth has championed civil society response, driving increased public understanding of the threats and opportunities. Working with coalition partners (including the National Farmers' Union), we have argued for a more democratic approach to trade and robust import standards.

Challenges: The political turmoil and upheaval did not relent in 2019, with Parliament in gridlock, a change in Prime Minister and a general election. This caused uncertain timeframes and additional challenges to our fight for high environmental standards.

During 2020: We will continue to influence the design of the Environment Bill and work on the implementation of related matters in fisheries and agriculture law and policy. We will continue to work with partners to safeguard access to justice, which is under review by this new Government, and promote environmental considerations in trade talks.

Climate and the Paris Agreement

Mitigating GHG emissions, consistent with the Paris Agreement goals, is one of the major challenges facing society today. It is necessary to avoid catastrophic harm to the environment and populations around the globe.

3. Climate accountability

For many governments, the economic and political incentives, and the legal obligations, to reduce GHG emissions are weak, and action to reduce emissions is discouraged by industry lobbyists. Most companies do not acknowledge that they have any legal obligations in relation to climate change. We accelerate transition to a decarbonised economy by driving climate laws and policies in line with the Paris Agreement.

Human rights: We assisted a group of Torres Strait Islanders in launching a world-first climate case against the Australian Government before the UN Human Rights Committee, alleging climate inaction is a violation of their human rights. The Government committed AUS \$25m for sea walls on the day its response was due.

Shareholder lawsuit: We won a world-first climate risk case over the construction of Ostrołęka C in Poland, Europe's last proposed coal-fired power station. The lawsuit claimed that the project would expose shareholders to "indefensible" climate-related financial risks. As a result, finance and construction of the current project has been halted.

Greenwashing: We filed a regulatory complaint against BP for misleading advertising under its 'Possibilities Everywhere' campaign (the adverts inaccurately represent the company's energy and climate commitments). BP has pledged to cancel the campaign and made statements to be carbon neutral by 2050.

Coal to gas: We intervened in the planning approval for the conversion of Drax's coal-fired power station in northern England to combined cycle gas turbine, when the Planning Inspectorate had ruled that its climate impacts outweighed any benefits, and recommended the project be blocked. We have sought judicial review of the Secretary of State's contrary decision to ignore the advice of its own experts and approve the project.

Legal duty: We sent letters to 105 local authorities in England putting them on notice over legal obligations to secure contributions to climate change mitigation/adaptation in their local plans, leading to greater action from UK local authorities.

Challenges: The Torres Strait Climate Case highlighted the need to design adequate systems and processes to enable our lawyers to seed innovative and impactful climate litigation around the world.

During 2020: We are continuing our innovative litigation strategies in 2020, including opportunities based on human rights, administrative law and corporate law. We will also work on the design of good quality climate change laws around the world. We will also develop our greenwashing strategy targeting other oil majors to leverage the BP greenwashing complaint.

4. Climate finance

Companies engaging in carbon intensive activities do so using capital raised from the financial sector. We push financial institutions to recognise climate risk in their portfolios, and for financial flows to be consistent with the Paris Agreement.

Pre-litigation strategy: During 2019 we have seen the continued success of our pre-litigation strategies, including the significant impact of our letter-writing and regulatory referrals in changing behaviour and pushing climate-risk up the agenda. Advisors are increasingly citing our work in relevant client bulletins and at presentations and two insurers have tightened up their coal exclusion policies.

Proxy voting on director appointments: We were invited to contribute strategic thinking and analysis to support an influential asset manager in developing a first-of-its-kind proxy voting strategy. This aims to identify and vote against the reappointment of directors and auditors at companies who are failing to adequately manage and disclose climate change-related financial information. This project has contributed to mainstreaming the use of voting on director reappointments to accelerate company action on climate change.

Pension Investment In fossil fuels: We have had significant success in the policy space. We provided a briefing for the UK Pensions Minister ahead of a Westminster Hall debate about the investment of pension funds in fossil fuels. We also contributed to an industry working group on aligning pension schemes with Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. In addition, one of Client Earth's pensions specialists has been seconded to the Department for Work and Pensions (DWP) to help them with a project improving the quality of climate reporting by pension schemes. Outside the UK, we have collaborated with JustShare, writing to 43 of the biggest pension funds in South Africa highlighting climate-related financial risk to pension fund investments.

Corporate reporting: Our thought leadership on the financial implications of climate change for accounting and auditing has influenced updated guidance from the Australian Accounting Standards Board on climate related reporting in financial accounts.

Challenges: We supported a pension fund member's transparency complaint to the UK Pensions Ombudsman. The complaint was not upheld and while it was a poorly-reasoned decision, the member decided not to pursue an appeal for personal and financial reasons. This highlights the litigation challenges when working with individual claimants, as is necessary in pensions litigation and the accountability and enforcement gap.

During 2020: We will continue to apply pressure on financial regulators to improve their oversight of climate risk management and reporting and maintain our pre-litigation interventions to improve management of climate risk by financial actors, scoping litigation where relevant. During 2020 we will develop strategies to target banks and pivot our work to Asia.

Energy transition

5. Coal

Within the power sector, coal is by far the most intensive greenhouse gas emitter and is a major contributor to air pollution. We are accelerating the closure of coal plants across Europe and beyond to secure a well-managed and just coal phase-out by 2030.

Legal advocacy In Greece: The Supreme Administrative Court annulled the environmental permits of two coal plants following our successful challenges. We also successfully advocated with partners against the sale of 40% of PPC's (the Greek energy company's) lignite assets to investors and the Government's capacity mechanisms to fund lignite. The sale and the capacity mechanism have now been abandoned and the Government instead announced plans to phase-out coal by 2028, with most expected to close by 2023, in line with our advocated position.

Court cases, campaigning, and enforcement In Bulgaria and Romania: We continued to bring legal cases against plant permits and EIA decisions. We secured annulment of a decision that allowed the Brikel plant as part of a major campaign with partners against the conversion of Bulgarian power plants to co-incinerate waste with lignite. This campaign is attracting considerable public and media interest. In Romania, we filed a complaint with the European Commission regarding Romania's failure to enforce industrial pollution standards, which was accompanied by a significant and creative communications campaign. We also filed a complaint regarding unlawful State aid to CEH (coal plant operator).

Environmental law capacity In Serbia: We have established a range of funded partnerships aiming to develop environmental legal capacity and broaden the scope of the campaign against the development and operation of coal plants.

Legal challenges in Poland: We continued to challenge coal-fired power plants. After seven years of ClientEarth's legal activities against Pólnoc power plant the Supreme Administrative Court issued a final judgment that quashed the plant's building permit. We also continued our campaign against the Bełchatów power plant and initiated a new case against opening Złoczew open pit mine project, a new lignite reserve for Bełchatów power plant.

In Germany we launched a new coal project and established ClientEarth as a primary legal voice on coal.

Coal exit law: We collaborated with Greenpeace on the publication of a draft coal exit law for Germany, taking the recommendations of the Coal Commission and transposing them into proposed law. We also produced a detailed report considering the legal merits of the proposed compensation for coal operators phasing out coal.

Coordinated action on coal: To coordinate legal efforts in pursuit of Germany's energy transition, we conducted a series of workshops in 2019 with key environmental organisations and litigation lawyers. In November the results of these analyses were discussed with NGOs working on coal, and we will begin to launch cases in collaboration with some of these organisations.

Market distortion: We have initiated a complaint against the energy company RWE for false representation of facts and market distortion.

Support to civil society: We are supporting local residents near the Garzweiler open pit mine in the Rhine area against expropriation, and we have helped BUND Brandenburg in a complaint against lignite coal company LEAG regarding its obligations to clean up the mine after operations have ceased.

Challenges: The considerable progress in announced coal phase-outs during 2019 raises the challenge of evolving our own legal strategy in 2020 to keep pace with external developments. Moreover, as our work expands beyond the core EU countries to include the Western Balkans and global action, we will need to further refine our structures and strategies.

During 2020: We will continue our work against coal plants and related lignite mines across Europe, and will continue ensuring they are not converted to biomass. We will enhance compliance by coal operators, providing an improved legal framework for the regulation of pollution from coal, and we will increase scrutiny of industry regulators. We will also maintain pressure on public bodies to stop financing coal. Finally, we will pivot towards a more global focus, considering the global nature of coal's threat to the climate.

6. Energy markets

The Paris Agreement requires a significant transition from fossil fuel-based energy to clean energy. However, the EU energy market is distorted by large market players who dominate and erect barriers against efficient, flexible, clean and decentralised technologies, preventing the creation of green energy markets. We are removing these barriers by improving the quality of legal, policy and regulatory frameworks and increasing the accountability of authorities in decision-making and finance.

Review of the capacity mechanism: A capacity mechanism is a subsidy paid to energy market players to secure that the lights stay on under any circumstances. We brought legal arguments to the European Commission against Greece's plan to implement a market-wide capacity mechanism that would have locked in fossil fuels over the long-term. The Commission committed to examine the mechanism under the new Clean Energy Package rules, even though the official application date of those rules is January 2020. This led to the abandonment of Greek capacity mechanism scheme.

Energy self-consumption: Energy self-consumption means a customer produces and consumes their own energy on site. We have maintained our expert position on self-consumption in the EU through our analysis of nine Member State's policies and laws concerning the situation of individual self-consumers and energy communities.

Poland's energy transition: Together with WiseEuropa, we are preparing a cross-sectional report on State aid for the Polish energy sector and its impact on Poland's energy transition. We also published a report with our partners, presenting the legal and economic aspects of the implementation of the EU emissions trading scheme (ETS) in Poland. We are constructing a strong base for systemic State aid energy sector interventions, and we plan to continue this work focusing on the Energy Prices Act.

Challenges: Energy market laws are very technical, making it difficult for those not familiar with the laws to understand the failures. It has been challenging to find national experts to engage, which has made it difficult to identify opportunities for intervention.

During 2020: We will work on the implementation of the Clean Energy Package at the EU and national level, for example, on energy communities, security of supply, and reforms of the Green Deal. We will continue our advocacy work against the replacement of coal with gas, bringing targeted interventions at EU and national level where possible. Finally, state aid policy and intervention opportunities will still be a key tool to accelerate the clean energy transition.

Pollution and health

7. Clean air, transport and cities

Air pollution is the world's top environmental health risk and has been linked to more than 400,000 early deaths annually in Europe. We increase pressure on governments to implement adequate air quality plans and to adopt enforceable legislation to reduce pollutants and GHG emissions from polluting sectors.

Citizen's right to litigate for clear air: In our ongoing case in Brussels, the CJEU held that citizens can use litigation to force authorities to monitor air pollution more accurately. In December, the CJEU ruled that the refusal of the Bavarian government to introduce diesel restrictions in Munich may breach fundamental rights and that national courts must ensure strong sanctions, including, under certain circumstances, imprisonment of reluctant authorities. Both rulings provide essential precedents that will strengthen not only the right to clean air but also litigation in all environmental matters.

UK clean air laws: Despite uncertainties around Brexit and the content of the Environment Bill, we secured a commitment to include new clean air laws and statements in favour of setting stronger targets in line with WHO guidelines. Meanwhile, the Ultra-Low Emissions Zone (ULEZ) was introduced 18 months early in London. In the first three months of implementation, it reduced NO₂ concentration levels by 29%.

Ban on solid fuel: Kraków implemented the first solid fuel ban in September, after the Supreme Administrative Court agreed with our arguments and upheld the measure.

Human rights: We have started exploring innovative litigation cases based on human rights violations. ClientEarth was granted leave to file an amicus curiae before the European Court of Human Rights, in a case concerning severe environmental pollution in Italy, calling for them to apply environmental principles in human right cases.

Challenges: Our successful cases in Germany are leading to attempts to weaken air quality standards in Germany and in calls to the Commission to relax EU standards. We have already obtained court rulings declaring such attempts unlawful and are working with our German partner to improve the clean air campaign.

In the UK, central government has delegated plan-making to local authorities, causing delays in the adoption of new policies. We are operating an intense 'watchdog' function referred to as a "critical friend" by local authorities.

Following our threat of litigation, central government has requested local authorities to raise their level of ambition in several cases.

During 2020: We will continue our intense litigation work to ensure compliance with air quality standards, with court decisions expected in key cases (including Brussels and Sofia) and new plans due in more than 40 towns and regions across Europe. We will launch several innovative court cases, such as an action targeting emissions from industrial farms, and litigation using consumer laws. We will engage in advocacy work to ensure stronger air quality laws at EU level and in the UK. Subject to adequate funding, we will expand our successful UK campaigning model to our focus jurisdictions, to increase public awareness and enhance civil society pressure on governments.

8. Harmful chemicals

Many chemicals that are harmful to human health and the environment are still widely used, even when safer alternatives exist. We use EU laws to expose this situation and clean the supply chains.

Empowerment of the European Parliament: We supported members of the European Parliament to act as a counterweight when the Commission and the Member States authorised the use of dangerous chemicals under the main EU chemical regulation, 'REACH'. Our contribution was crucial in the adoption of four resolutions against the Commission's proposals that manifestly did not comply with the strict conditions set by REACH. The opposition of the European Parliament has re-opened the discussion on when authorisations may be granted by the Commission, demonstrating the wider impact of these four cases.

Reformed Food Law: In the EU, the safety of chemical substances in food is based on data produced by the very company that wants to sell them. During the reform of the General Food Law, we worked with the Environmental Democracy team to recommend safeguards against this dangerous bias. Most were included in the final text, and the European Food Safety Authority (EFSA) will now have to publish the industry data. This represents a regulatory revolution putting an end to the secrecy of chemicals in food and pesticides. The Chemical team became a stakeholder at EFSA and was elected by its peers to make sure that EFSA effectively complies with this new obligation.

Plastics manufacture: Bisphenol A, a chemical used in the manufacture of plastics, was identified as dangerous by the European Chemical Agency, obliging industry to be transparent about this chemical. When PlasticsEurope attacked the decision before the EU Court, we brought the judges detailed evidence of the unfounded nature of the complainant. The judges vehemently rejected every argument raised by PlasticsEurope and ordered them to pay our costs.

Challenges: An efficient legal action against harmful chemicals requires knowledge of – and work on – a very broad range of complex regulations, from chemical laws (REACH, pesticides) to product laws (toys, cosmetics). Fulfilling this potential scope requires expanding the programme.

During 2020: We secured new funding for a new full time lawyer, which will allow us to deepen our REACH work while opening a new exciting project on pesticides, to end illegal use of banned pesticides and fight the confidentiality of data on the use of pesticides in the EU.

Forests

9. Forests and land conversion

Globally, forests have decreased by 129 million hectares in 25 years. Forested countries often lack robust legal frameworks to protect forests and people from the impacts of deforestation. We build the legal capacity of civil society to influence forest law reform to ensure more sustainable and equitable forest governance.

Forest code: Over recent years we have conducted legal training and scrutinised national laws on forest governance, land rights and community forest management. This year we supported civil society to establish working groups with parliamentarians to advocate for amendments to the draft Forest Codes in the Republic of Congo and Ivory Coast.

Benefit sharing: In the Republic of Congo we began to test benefit sharing laws, identifying local communities and forest concession holders open to collaboration. In Liberia we developed a template contract for community representatives enabling them to negotiate better contracts with timber companies.

Voluntary Partnership Agreements (VPAs): In Ghana we supported the implementation of the VPA, meaning Ghana will be better able to manage its forests while collecting more revenue in tax, and people and organisations in Ghana will be better able to protect and benefit from their forests. We also supported the EU to relaunch VPA negotiations in Ivory Coast.

Reduced Emissions from forest Degradation and Deforestation (REDD+): In 2018 we built the capacity of civil society organisations and community groups to engage with national law reform and implementation of REDD+ rules. In 2019, we supported the development of the Wonegizi REDD+ Project in Liberia, conducting a review of the national legal and policy environment with respect to REDD+.

Community forestry In Asia: In 2019 we published a report and toolkit on laws on community forestry, based on experiences in the Philippines, Tanzania and Nepal, and shared lessons learned at regional conferences in Korea and Thailand.

Forest conversion in SE Asia: We used the methodology developed in our 2018 Legal Toolkit on Forest Conversion to review the legal frameworks regulating forest conversion in Vietnam and Laos.

Challenges: The adoption of the new Forest Code in the Republic of Congo has been severely delayed. Potential further delays with the legal reform still pose a risk to the implementation of our activities. However, the process is likely to be finalised in April 2020. For our work in Ghana, further delay in Ghana's readiness for issuing licenses guaranteeing the legality of its timber would pose a challenge.

In 2020: In Ghana, ClientEarth will support the submission of three trial complaints to test the VPA complaints procedure system. In Liberia, we will support the negotiation between communities and private sector using the template contract and negotiation guide developed jointly with community representatives. In RoC we will work with CSOs, communities and the private sector to make them aware of their rights and obligations under the new forest legislation, and support the negotiation of benefit agreements between communities and the private sector. We will analyse the legal frameworks around cocoa in Ghana and Ivory Coast as a key issue impacting forests.

While we continue to engage in long-term focus countries in Africa, 2020 will see an additional focus on, and scaling of, existing activities in SE Asia, including forest governance support in Thailand, Laos, Cambodia and Vietnam.

10. Forests and trade

ClientEarth is working 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.

EU Timber Regulation (EUTR): We continued our work on preventing the illegal trade of timber into the EU, submitting a substantiated concern to the Polish Competent Authority on illegal timber imports from Democratic Republic of Congo. This resulted in an instruction to the relevant regional authority to conduct a check on the company in question. In collaboration with WWF-Germany and Interpol, we delivered a series of training workshops across Central and Eastern Europe for prosecutors, customs officers and government regulators.

China Forest Law: We expanded our work into China, providing comments on the draft revision to the Forest Law to strengthen and clarify provisions on collective forestry and legality of timber imports. To raise the awareness of high-level Chinese decision-makers, we delivered training during a study exchange to the UK for judges from China's courts on timber trade flows and the EUTR.

Due diligence: ClientEarth and Global Witness published a briefing 'Strengthening Corporate Responsibility, the case for mandatory due diligence in the EU', drawing on lessons from our combined experience on market mechanisms on timber and conflict minerals. We disseminated the briefing to private sector, NGOs and policy makers involved in the current development of new regulatory measures to tackle deforestation in the EU. We advocated for a due diligence obligation in the UK legal framework with the UK Environment team, providing input to the Global Resource Initiative.

Challenges: In the EU, our work is premised on an assumption that the European Commission will release a proposal to legislate on EU imports of forest risk commodities early 2021. We are however, aware that this timeframe could change depending of the evolution of the current COVID 19 crisis.

During 2020: We will improve the awareness of legal rights and obligations of Chinese timber enterprises operating in RoC, and address demand side regulation, working with Chinese decision-makers to fill legal gaps or reinforce legal requirements around timber trade. We will continue engaging with partners on EUTR enforcement, participate in public consultations and use the EUTR complaints mechanism. We will also continue our advocacy work towards the introduction of new legislation in the EU and UK to minimise the risk of products associated with deforestation being placed on the EU and UK market.

Oceans

11. Marine habitats and plastics

Marine ecosystems face a myriad of pressures, including fishing activities and plastics pollution. We are promoting stronger laws to reduce plastic supply and make producers bear the real cost of plastic on the environment. We are supporting a Marine Protected Area network to protect vulnerable marine species and habitats.

New EU laws on plastic: During 2019 we brought our legal expertise to the powerful Rethink Plastic Alliance NGO coalition. We were able to influence the exact wording of what are now Europe's most important plastics laws, especially on single-use plastic. As a result, six new directives related to plastics recently came into force, with inclusion of almost all that we recommended, and in many cases framed ourselves. Once transposed into national legislation this will make it harder and more expensive to flood the EU's markets with all kinds of plastic.

Scoping petrochemicals: INEOS, Europe's largest petrochemical company, is expanding its plant in Antwerp. In 2019, we took action to stop this, instructing lawyers in Belgium to submit an objection, relying on legal and scientific arguments about protected areas. While that complaint is pending, we are working with opposition over the border in the Netherlands and engaging investors to oppose what will be an environmental – and therefore also a business – catastrophe.

Dogger Bank complaint: ClientEarth and WWF, together with other organisations, filed a complaint before the European Commission against the Netherlands, the UK and Germany, due to their failure to protect the largest complex of protected zones in the North Sea from industrial fishing in the Dogger Bank sandbank habitat. Instead of rubberstamping the three countries' plan, the Commission has withheld approval.

Bycatch complaint: We drafted a complaint that 20 NGOs joined against 15 Member States for their failure to protect cetaceans from bycatch in EU waters. It included a request for emergency measures, which is still pending. But the Commission has now told us that they will ensure Member States protect dolphins and other cetaceans in winter 2020. This is a first for the EU.

Challenges: Our anticipated MPA litigation in various member states has proceeded slowly due to lack of information from partners. Things will pick up in 2020, thanks in large part to added capacity and organisational changes (moving marine habitats to a different programme).

During 2020: The plastics work will focus on the implementation of the directives whose adoption we secured; a bigger push to stop expansion of plastics plants; and regulatory complaints to ensure investors know that plastics are a bad bet and ensure that advertising reflects the true costs of plastic.

12. Fisheries and seafood

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. In our seafood work we persuade industry to go beyond legal requirements and secure commitments to contribute sustainable fishing. In our fisheries actions we use the legal framework of the EU Common Fisheries Policy (CFP) to ensure that fishing is not exceeding sustainable levels in European waters.

Seafood

Spain: ClientEarth convenes the retailer 'Plataforma por la Sostenibilidad Pesquera' (Platform for Sustainable Seafood), which is a foundation for engaging with retailers on the seafood supply chain in Spain. While we encountered some resistance from a major retailer, our collaboration with Sustainable Fisheries Partnership secured commitment from Plataforma members to support Fisheries Improvement Projects for imported octopus, squid and tuna. We have also consolidated the Spanish NGO voice on seafood, agreeing clear 'Ten Recommendations for Responsible Seafood Sourcing' aimed at industry, and our legal advocacy has helped us solidify our reputation with Spanish authorities. Our report on non-compliance with mandatory seafood labelling in Spanish wet fish markets (70% on average) was presented at the 2019 SeaWeb Seafood Summit in Bangkok.

UK: In 2019 the UK Sustainable Seafood Coalition (SSC) - a more developed industry body - agreed that advocacy on sustainable fishing should be a higher priority and a greater focus of secretariat (ClientEarth) staff time, especially in the light of Brexit. Our advocacy with SSC retailers led them to spearhead an EU-wide retailer-led campaign pushing governments to make more sustainable decisions about mackerel fishing in the North East Atlantic, referencing their commitment to the SSC codes.

Scaling up: The Hong Kong Sustainable Seafood Coalition (HKSSC) was launched in late 2018 using the SSC's codes as a starting point. This demonstrates the readiness of the model for scaling up as the HKSSC was able to leapfrog past the three-year developmental stage, yet still adapt to local market conditions and priorities.

Challenges: Building the Plataforma's membership is difficult; the absence of strong demand from Spanish consumers is challenging. We will reconsider our strategy in 2020 and focus more on advocacy with public authorities or find other ways to engage consumer groups and industry.

During 2020: We will continue to work with the retailers in the Plataforma and the NGO group to take forward the recommendations of the responsible seafood sourcing report, and track sustainability commitments and labelling compliance in Spain. In the UK we will drive membership of the SSC toward more widespread responsible sourcing and consistent labelling and we will leverage the influence of industry to increase pressure on policymakers.

Fisheries

European Maritime and Fisheries Fund (EMFF): The EMFF funnels billions of euros to fishers and Member States to implement EU maritime and fisheries policies. It is being revised for 2021-2027 and we have been advocating that funding should not be used for subsidies that contribute to overcapacity and overfishing and to increase the budget for protecting or restoring marine biodiversity. The European Parliament adopted some of our proposed recommendations in April 2019.

Landing Obligation: As of 2019 fishers in the EU must now land all their catches (the “no-discards rule”), with some exceptions allowed. We have been successfully advocating to minimise unjustified exemptions, such as spurious claims that the landing obligation is too costly. For the second year in a row the Commission took a stronger stance on requested exemptions, demanding improvements to the science-based evidence for the exemptions before agreeing to them.

Control Regulation: This is the EU’s legislation ensuring control, inspection, and enforcement of the CFP. We have moved Member States’ failure to implement the Regulation (e.g. by not enforcing the landing obligation) higher up the political agenda. As a result, the European Commission opened infringement proceedings against Denmark for its failure to control its fisheries and suspended its EMFF funding. It is also actively pursuing an infringement case against Ireland.

Challenges: The lack of transparency in EU CFP decision-making and the EU’s implementation of the CFP makes it difficult to ensure the EU is acting lawfully and producing and using complete and reliable fishing data. In response to a complaint we lodged against the Commission for lack of transparency in how they implement the Control Regulation, the European Ombudsman found in our favour. One Commission official reported to a funder that our work on access to documents and information made us one of the most effective NGOs working on fisheries.

During 2020: We will aim to launch our first cases challenging: 1) the lack of transparency and 2) the failure of the EU to abide by its legal commitment to ensure that by 2020 total allowable catches are fixed at a sustainable level.

Wildlife

12. Wildlife and habitat loss

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.

Protected species: European bison came close to extinction with just 54 individuals recorded in Europe. After a huge conservation effort, there are now around 2,000 bison living in free-ranging herds but despite being strictly protected by law, the species remains threatened. This year we launched two legal interventions against culling of bison in Poland and we have conducted extensive scoping of the threats to marine mammals in the Mediterranean, with a view to bringing strategic legal interventions to tackle some of the key threats to them and their habitats.

Logging in protected forests: In 2018 the Polish Government cancelled one of the two logging permits in the protected Bialowieza forest. This followed the ruling of the Court of Justice of the EU in response to our complaint to the European Commission about illegal logging in a Natura 2000 site. However, a second permit remained in place. This year we continued to work with partner NGOs, responding to public consultations and monitoring and guarding against the threat of logging. We have kept public attention on the issue and maintained pressure on politicians and to date no further logging has taken place. We also submitted strategic complaints to the European Commission in respect of logging without the proper assessments inside protected areas of Romanian forests.

Degradation of other Natura 2000 sites: We submitted a complaint to the European Commission regarding the degradation of protected habitats and species in the Bulgarian Kresna Gorge Natura 2000 site. A proposed motorway threatens the site and increased traffic is already causing significant degradation. Similarly, we responded to a public consultation for a new airport on the banks of the Tagus Estuary Natura 2000 site in Portugal. This is a crucial site for migrating birds and so the effects of the development will impact multiple protected sites internationally. We do not consider the airport to have been assessed in line with EU law.

During 2020: We will continue to challenge illegal decisions in Natura 2000 sites and set new precedents clarifying and advancing the interpretation of nature laws. We will continue our work on the hunting of bison and expand to other protected mammals and will maintain our campaign on the designation of national parks in Poland.

14. Agriculture

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.

Establishing our voice: September 2019 saw the launch of ClientEarth's project on agriculture. Through our engagement in Brussels we have succeeded in being recognised by our NGO peers and EU institutions as credible and effective legal advisors. We have established close contact with the cabinet of the Vice President in charge of the European Green Deal (EGD), political groups at the European Parliament, and we are members of several NGO's coalitions and independent farming advisors.

CAP reform: We conducted advocacy on the ongoing CAP reform, focusing on a specific regulation dealing with the EU funding for agriculture. We have succeeded in aligning CAP proposals with the values and commitments announced in the EGD, as well as in a specific resolution of the European Parliament in response to the EGD.

Litigation: Strategic litigation will focus primarily on the protection of soil and water, but also on air pollution deriving from industrial agricultural practices. We are in the process of scoping cases in multiple member states: In Germany, we prepared a scoping study with agriculture experts and lawyers to explore legal action against failure to implement EU legislation, and against large-scale individual polluters. In addition, we are scoping possible litigation at European level, challenging EU decisions and regulations around the food system with a focus on mega mergers – global mergers permitted despite huge environmental or human health impacts – to extend the criteria of assessment for a merger in line with the objective of the EU treaties.

During 2020: At the EU level we will further advocate on our top four priorities for securing the green ambition of the new CAP reform. We will also scope possible litigation to help building the next reform (around 2027) on a reshaped CAP approach. At the national level we will advocate for the adoption of ambitious Agriculture Strategic Plans by the Member States to mitigate climate change and limit biodiversity decline. We will also initiate strategic litigation to protect soils and water courses from excessive agricultural pollution.

Monitoring, evaluation and learning

The ClientEarth five-year strategy is underpinned by comprehensive programmatic strategies and plans. At present, monitoring and evaluation approaches are specific to the programme area and aligned primarily to the programmatic objectives or goals set in the five-year strategy. Planning and monitoring at this level ensures precision and clarity regarding the specific changes in behaviour, policy and practice the organisation wants to effect through its advocacy, litigation, communications and capacity-strengthening strategies.

In most programme areas, a monitoring and evaluation framework is in place aligned with a results framework or theory of change. These practices are often linked with donor reporting and other requirements. During regular meetings, project teams meet to discuss the impact of recent activities and outputs. Feedback from external stakeholders is also noted, as well as requests for collaboration or advice and invitations to speak at events, as indicators of the quality, value and impact of the work. In some programmes, the teams record external events that can be credibly linked to the programme's activities and outputs, and log statements and actions from decision makers and key influencers that demonstrate a shift in attitude or behaviour, or adoption of our messaging. In all areas, regular reports are produced for internal and stakeholder use.

Since ClientEarth uses a common set of approaches and legal tools, there is a drive to look at how ClientEarth can both systematise and enhance the way in which its influence is measured and evidenced. To that end, and beginning with the organisational objectives outlined at the Programme Strategy Days in November 2019, the Monitoring, Evaluation and Learning team has undertaken a project to align ClientEarth's existing monitoring and evaluation practices toward overarching organisational goals. This includes preparation of an organisational Legal Action Theory of Change, alignment (and, where necessary, development) of programme and initiative theories of change to that structure and creation of new monitoring frameworks and tools that can be used consistently, organisation-wide.

This project should enhance ClientEarth's ability to demonstrate coordinated impacts across programmes and geographies toward high-level organisational goals. It will ensure the consistency of the nature, quality and detail level of the data demonstrating ClientEarth's ability to effect change. It will also provide a strong narrative for communicating with donors and the public about the use of the law as a positive tool, and will be informative for the international NGO sector in general.

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, were:

- Howard Covington (Chair)
- Georg Stratenwerth (Treasurer)
- Frances Beinecke
- Hermann Friedrich Bruhn
- Winsome Dunn McIntosh
- Brian Eno
- Daniel Greenberg
- Stephen Hockman QC
- Philippe Joubert
- Sonia Medina
- Christina Robert
- Fabienne Serfaty (retired 5 December 2019)
- Sarah Butler- Sloss
- Sir Martin Smith

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 three times a year. There are three board committees, covering finance and investment, governance and CEO performance and remuneration. The Finance and Investment Committee meets three times a year ahead of board meetings, the Governance Committee meets three times a year as well. 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 2019, Trustees confirmed plans to 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. However, given the Covid 19 outbreak in early 2020, the trustees have agreed to gradually implement this so as to provide continuity through what will likely be a difficult period.

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 management team (SMT).

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 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. 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.

ClientEarth In Europe

Country		Legal Form	Year of Formation
Belgium	ClientEarth AISBL	International non-profit association (AISBL)	2018*
Belgium	ClientEarth ASBL	Branch of ClientEarth Limited	2008*
France	ClientEarth France	French Foundation	2011 (currently dormant)
Germany	ClientEarth gGmbH	Limited Liability Company	2018
Germany	ClientEarth – ANWÄLTE DER ERDE	Registered Association	2018
Luxembourg	ClientEarth ASBL (previously EarthRights Luxembourg ASBL)	Non-profit association	2017 **
Poland	Fundacja ClientEarth Prawniczy dla Ziemi	Polish Foundation	2019
Spain		Branch of ClientEarth Limited	

*Activities of the Belgian branch were transferred to ClientEarth AISBL on 1 April 2019

** EarthRights Luxembourg ASBL name changed to ClientEarth ASBL on 31 May 2019

ClientEarth in China

Country		Legal Form	Year of Formation
China	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.

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 2019 the carbon emissions from all business related travel were measured and then offset with a Gold Standard-certified environmental project¹ selected by staff.

ClientEarth's Environmental Policy and the principles are endorsed by the Senior Management 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.

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 Brexit on our operations in light of our European focus as a UK headquartered organisation; 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 Management Team.

Clearly in the impact of Covid 19 will be a significant risk as we look into 2020.

¹ 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.

Fundraising

2019 was a remarkable year for fundraising, all the more as it followed a tough 2018 where income stagnated and, in some areas, dipped. Notwithstanding the major gift by David Gilmour and Polly Samson, income rose considerably across all channels.

During the first half of 2019, the Development team significantly increased its events programme and as a result increased the number of donor prospects. We also worked closely with existing donors on spreading out cashflow more evenly throughout the year. As a result, we moved ahead of the unrestricted income target in May 2019, as existing donors gave earlier we saw an influx of new mid and major donors, a trend that continued throughout the year. We were helped by the support of our Trustees and an engaged Development Board that helped us build our contact network at speed.

Following the Gilmour-Samson gift announcement in June and the subsequent increase in brand awareness, we received several large one-off gifts from major donors. These included three seven-figure gifts, two of which are spread over multiple years, helping stabilise our unrestricted income. Online giving, a new income channel for ClientEarth, tripled income within a year, and as a result, we are investing heavily into our capacity to fundraise online.

We have also had the vast majority of our restricted donors renew their grants and have won first grants from new donors both within Europe and the United States. As a result, we have started to extend our international reach and are exploring fundraising markets to ensure we have a diverse funder group supporting our work.

As a result of the increase in income that jumped up by 163%, Development has invested in the team to ensure we can sustain the organisation's growth, and build a diverse group of funders that make us financially strong. New roles include investment in the events team, supporter care, a US based fundraiser and creation of a digital fundraising team that will be in place by the start of 2020. We are focusing on the channels and audiences that are strategically best for the organisation, and as a result are working closely with contacts in the music industry and our Development board and trustees.

Overall, 2019 has seen major progress for ClientEarth's financial sustainability. The Gilmour-Samson gift not only meant global attention and interest, it enabled us to invest in income channels (e.g. digital fundraising) that as demonstrated prior to the gift, had great potential. As a result, we enter 2020 in a stronger position than we did 2019 - which is fortunate given the stormy waters ahead.

Financial review

2019 was a very good year for ClientEarth's finances. During the year ending 31st December 2019, the charity received total income of £29,489k, an increase on the previous year of 163% (2018: £11,213k).

Most of this increase came from a very generous one-off unrestricted gift from David Gilmour and Polly Samson (£13,599k). However, our underlying income also increased by 42% to £15,890k. As in previous years, most of our underlying income is in the forms of restricted grants for funding our charitable activities, which is around four-fifths of the total. The bulk of these grants come from private foundations or governmental agencies, predominantly based in the UK, Europe and the USA and are restricted to specific projects. These grants are listed in the notes.

Total expenditure increased by 27% to £14,198k (2018: £11,173k). We spent down a considerable amount of restricted funds that had been received prior to 2019 and carried over, but thanks to the increase in our fundraising, we have finished 2019 with a higher total balance on our restricted than we started with (£5,164k; 2018: £4,618k), which represents higher cash inflows that will be carried over for use in future years.

Our higher unrestricted income, together with the generous Gilmour-Samson gift, mean that we end the year with total funds of £20,882k (2018: £5,592k).

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 our annual internal expenditure (defined as our total annual expenditure, less subgrant and litigation costs). 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 any cashflow troughs, especially where grants are paid in arrears. At the end of 2019, our target reserves were £3,548k.

Thanks to the generous Gilmour-Samson gift, along with our increased unrestricted fundraising, we have been able to meet this target in full.

In October 2019, ClientEarth received an unprecedented gift from the DG Charitable Settlement (the "Donor") of USD 16.75m, referred to internally as the "Gilmour-Samson gift". Whilst the funds received have not been formally restricted to any particular use by the Donor, they have expressed wishes regarding their use. In summary, the Donor wishes for the funds to be used to fight climate change and build the capacity of the organisation. The Board recognises that the size of the donation will be transformational for ClientEarth and will ensure that the funds are accounted for and reported on appropriately, so as to provide transparency and accountability to the Donor.

In December, the trustees resolved to create a designated fund for the Gilmour-Samson gift funds (£12,171k), as they have the intention to earmark these funds for particular pieces of work over the short to medium term, to help ClientEarth better meet its charitable objectives. This designated fund, and any related expenditure, is not considered in the calculations of our free reserves target.

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

4 August 2020
Date.....

CLIENTEARTH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLIENTEARTH

Opinion

We have audited the financial statements of ClientEarth (the 'parent charitable charity and subsidiaries') for the year ended 31 December 2019 which comprise of the consolidated statement of financial activities, consolidated and charity balance sheet, 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

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 is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

CLIENTEARTH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CLIENTEARTH

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 is 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CLIENTEARTH

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

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

13 August 2020

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 2019

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
	Notes	2019 £	2019 £	2019 £	2019 £	2018 £
Income and endowments from:						
Donations and legacies	3	17,298,621	-	594,953	17,893,574	1,958,019
Charitable activities:	4	41,927	-	11,371,651	11,413,578	9,158,944
Investments	5	30,985	-	-	30,985	700
Other income	6	105,731	-	45,096	150,827	94,690
Total income		17,477,264	-	12,011,700	29,488,964	11,212,353
Expenditure on:						
Raising funds		713,055	-	101,375	814,430	626,479
Charitable activities:	8	2,019,288	-	11,364,762	13,384,050	10,546,157
Total resources expended		2,732,343	-	11,466,137	14,198,480	11,172,636
Net incoming resources before transfers		14,744,921	-	545,563	15,290,484	39,717
Gross transfers between funds		(12,171,179)	12,171,179	-	-	-
Net income for the year/ Net movement in funds		2,573,742	12,171,179	545,563	15,290,484	39,717
Fund balances at 1 January 2019		973,819	-	4,617,974	5,591,793	5,552,076
Fund balances at 31 December 2019		3,547,561	12,171,179	5,163,537	20,882,277	5,591,793

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 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Intangible assets	10		29,892		40,442
Tangible assets	11		136,876		174,707
			<u>166,768</u>		<u>215,149</u>
Current assets					
Debtors	13	1,733,312		1,571,350	
Cash at bank and in hand		19,404,501		4,337,761	
		<u>21,137,813</u>		<u>5,909,111</u>	
Creditors: amounts falling due within one year	14	<u>(422,304)</u>		<u>(532,467)</u>	
Net current assets			<u>20,715,509</u>		<u>5,376,644</u>
Total assets less current liabilities			<u>20,882,277</u>		<u>5,591,793</u>
Income funds					
Restricted funds	16		5,163,537		4,617,974
Designated funds	17		12,171,179		-
Unrestricted funds			3,547,561		973,819
			<u>20,882,277</u>		<u>5,591,793</u>

The financial statements were approved and authorised for issue by the Board on4 August 2020



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H Covington
Trustee

Company Registration No. 2863827

CLIENTEARTH

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	10		29,892		40,442
Tangible assets	11		136,876		174,707
			<u>166,768</u>		<u>215,149</u>
Current assets					
Debtors	13	1,697,950		1,575,437	
Cash at bank and in hand		18,002,675		4,197,422	
		<u>19,700,625</u>		<u>5,772,859</u>	
Creditors: amounts falling due within one year	14	(257,333)		(500,061)	
Net current assets			<u>19,443,292</u>		<u>5,272,798</u>
Total assets less current liabilities			<u>19,610,060</u>		<u>5,487,947</u>
Income funds					
Restricted funds	16	5,163,537		4,617,974	
Designated funds	17	12,171,179		-	
Unrestricted funds		2,275,344		869,973	
			<u>19,610,060</u>		<u>5,487,947</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 2019 were £27,925,106 (2018: £11,196,654) with the positive movements in funds being £14,122,113 (2018: negative £33,809).

The financial statements were approved and authorised for issue by the Board on 4 August 2020



H Covington
Trustee

Company Registration No. 2863827

CLIENTEARTH

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21		15,049,181		623,029
Investing activities					
Purchase of tangible fixed assets		(13,426)		(29,640)	
Interest received		30,985		700	
Net cash generated from/(used in) investing activities			17,559		(28,940)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			15,066,740		594,089
Cash and cash equivalents at beginning of year			4,337,761		3,743,672
Cash and cash equivalents at end of year			19,404,501		4,337,761

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 funds which have been 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 2019

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

2018 comparatives

Costs of generating funds	7%
Rule of Law	13%
Climate	14%
Energy Transition	22%
Pollution & health	15%
Forests	12%
Oceans	14%
Wildlife	3%

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 2019

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 2019

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 2019

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 2019

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Donations and gifts	17,298,621	594,953	17,893,574	1,958,019
For the year ended 31 December 2019	<u>17,298,621</u>	<u>594,953</u>	<u>17,893,574</u>	<u>1,958,019</u>
Donations and gifts	1,587,561	370,458		1,958,019
For the year ended 31 December 2018	<u>1,587,561</u>	<u>370,458</u>		<u>1,958,019</u>

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

4 Charitable activities:

	Rule of law	Climate and the Paris agreement	Energy transition	Pollution & health	Forests	Oceans protection	Wildlife protection	2019
	£	£	£	£	£	£	£	£
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	11,371,851
	<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>
For the year ended 31 December 2018								
	Rule of law	Climate and the Paris agreement	Energy transition	Pollution & health	Forests	Oceans protection	Wildlife protection	2018
	£	£	£	£	£	£	£	£
Unrestricted funds	4,000	5,878	-	299	28,771	550	2,198	41,696
Restricted funds	1,884,318	1,596,359	2,099,040	1,437,126	1,095,657	671,316	333,432	9,117,248
	<u>1,888,318</u>	<u>1,602,237</u>	<u>2,099,040</u>	<u>1,437,425</u>	<u>1,124,428</u>	<u>671,866</u>	<u>335,630</u>	<u>9,158,944</u>

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	30,985	700

6 Other income

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Other income	105,731	45,096	150,827	94,690
For the year ended 31 December 2018	45,615	49,075		94,690

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. During the year £13,064 (2018: £8,313) of expenses were reimbursed to two trustees. These related to costs of US-based trustees travelling to UK board meetings and were incurred in line with the charity's expenses policy. During the year the charity received a total of £207,613 in unrestricted grants and donations (2018: £250,690), and £178,916 in restricted donations (2018: £nil) from trustees.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8. Charitable activities:	Costs of generating funds	Rule of Law	Climate	Energy Transition	Pollution & health	Forests	Oceans	Wildlife	Governance costs	Support Costs	2019 Total	2018 Total
Expenditure												
Personnel and recruitment	608,969	1,300,242	906,037	1,472,642	1,104,761	719,327	727,593	506,213	46,672	768,681	8,066,057	6,992,289
Consultants and external assistance	71,835	147,148	53,085	57,261	86,899	261,926	38,944	29,320	1,194	42,954	790,346	891,138
Sub Grants	-	201,158	94,711	167,541	126,578	-	-	-	-	-	591,988	373,167
Litigation costs	-	35,104	326,402	591,800	457,644	-	-	7,672	-	-	1,418,622	875,507
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	705,603
Publications, subscriptions, memberships and trainings	29,985	23,732	9,080	27,266	12,520	26,476	10,897	8,558	-	423	148,737	107,502
Training and research	4,469	14,683	20,346	25,540	16,642	11,792	13,347	8,685	490	8,171	124,167	128,663
Premises and office running costs	76,063	123,947	134,887	206,059	237,770	76,053	74,574	72,931	4,910	141,867	1,151,061	1,092,413
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	142,969
Bank charges and interest	6,810	-	-	-	-	-	-	-	-	9,468	16,278	9,928
Exchange rate gains/(losses)	52,779	113,098	67,869	135,757	105,658	67,869	67,869	52,779	-	90,478	754,026	(7,725)
Depreciation	4,326	9,271	5,583	11,125	8,853	5,583	5,583	4,326	-	7,417	61,807	58,921
Bad debt	296	634	380	761	592	380	380	296	-	507	4,226	2,291
Overhead 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	2,228,885	1,366,176	994,707	739,498	98,274	1,101,497	14,198,480	11,172,636
Support Costs allocated to activities	77,105	198,269	121,165	220,299	165,224	110,150	121,165	88,120	-	(1,101,497)	-	-
Governance Costs allocated to activities	-	17,689	11,793	21,620	16,707	10,810	10,810	8,845	(98,274)	-	-	-
Total	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	11,172,636

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CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8. Charitable activities:	Costs of generating funds	Rule of Law	Climate	Energy Transition	Pollution & health	Forests	Oceans	Wildlife	Governance costs	Support Costs	2018 Total	2017 Total
Expenditure												
Personnel and recruitment	438,885	967,239	913,048	1,311,261	904,823	803,272	817,896	171,365	15,189	649,331	6,992,289	5,474,924
Consultants and external assistance	43,974	185,106	79,364	37,010	56,636	219,062	29,438	8,881	510	31,157	691,138	663,340
Sub Grants	-	170,951	58,124	89,124	54,908	-	-	-	-	-	373,107	540,323
Litigation costs	-	6,150	256,609	391,930	204,467	-	17,324	7	-	-	875,507	532,710
Travel, events and meetings	54,991	239,798	29,166	48,566	49,837	104,267	20,390	4,057	21,839	133,072	705,603	597,602
Publications, subscriptions, memberships and trainings	1,902	23,909	12,416	19,994	11,923	17,301	12,776	3,792	-	3,487	107,502	77,749
Training and research	4,158	20,492	23,705	21,942	16,567	10,810	19,731	4,276	263	6,719	128,663	79,841
Premises and office running costs	87,012	133,827	150,857	179,341	143,614	91,879	114,929	35,640	2,574	152,740	1,092,413	789,096
Accounting and professional fees	4,726	8,884	10,239	15,753	10,239	8,664	9,452	2,363	38,712	34,187	142,969	132,850
Bank charges	2,330	(9)	(10)	(16)	(10)	(9)	(10)	(2)	-	7,664	9,928	6,786
Exchange rate gains/(losses)	(463)	(850)	(1,004)	(1,545)	(1,004)	(850)	(927)	(232)	-	(850)	(7,725)	16,515
Depreciation	3,535	6,481	7,860	11,784	7,660	6,481	7,071	1,768	-	6,481	58,921	27,748
Bad debt	137	252	298	458	298	252	275	69	-	252	2,291	-
Overhead recharge	(76,677)	75,534	11,392	(34,136)	149,137	18,346	(262)	(3,043)	-	(140,391)	-	-
	564,610	1,837,544	1,550,866	2,091,486	1,608,915	1,279,475	1,046,033	228,941	78,867	663,849	11,172,636	8,941,484
Support Costs allocated to activities	61,869	114,900	123,739	194,447	132,577	106,062	123,739	26,516	-	(683,849)	-	-
Governance Costs allocated to activities	-	11,041	11,830	18,928	12,619	10,253	11,830	2,366	(78,867)	-	-	-
Total	626,479	1,963,485	1,686,435	2,304,861	1,754,111	1,395,790	1,183,652	257,823	-	-	11,172,636	8,941,484

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CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Restricted funds projects	90	81
Unrestricted funds projects	56	51
	<u>146</u>	<u>132</u>

Employment costs

	2019 £	2018 £
Wages and salaries	6,973,836	5,980,738
Social security costs	461,987	417,072
Other pension costs	238,950	182,843
Other employment related costs and temps	391,284	411,636
	<u>8,066,057</u>	<u>6,992,289</u>

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

	2019 Number	2018 Number
£60,000 - £70,000	10	12
£70,001 - £80,000	1	4
£80,001 - £90,000	4	1
£110,001 - £120,000	-	1
£120,001 - £130,001	2	1
£130,001 - £140,000	1	1
£200,000-£210,000	1	1

Pension contributions for employees whose annual remuneration was £60,000 or more amounted to £63,012 (2018: £54,510).

Remuneration of key management personnel

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

	2019 £	2018 £
Aggregate compensation	<u>210,000</u>	<u>210,000</u>

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Intangible fixed assets

	Software £
Cost	
At 1 January 2019 and 31 December 2019	52,750
Amortisation and impairment	
At 1 January 2019	12,308
Amortisation charged for the year	10,550
At 31 December 2019	22,858
Carrying amount	
At 31 December 2019	29,892
At 31 December 2018	40,442

11 Tangible fixed assets

	Fixtures, fittings & equipment £	Computers £	Total £
Cost			
At 1 January 2019	45,010	204,060	249,070
Additions	1,620	11,806	13,426
At 31 December 2019	46,630	215,866	262,496
Depreciation and impairment			
At 1 January 2019	10,495	63,868	74,363
Depreciation charged in the year	9,191	42,066	51,257
At 31 December 2019	19,686	105,934	125,620
Carrying amount			
At 31 December 2019	26,944	109,932	136,876
At 31 December 2018	34,515	140,192	174,707

12 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	19,506,197	4,473,440	19,506,197	4,473,440
Carrying amount of financial liabilities				
Measured at amortised cost	200,439	235,300	170,474	191,902

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
GROUP		
Other debtors	95,209	30,744
Prepayments and accrued income	1,638,103	1,540,606
	<u>1,733,312</u>	<u>1,571,350</u>
PARENT CHARITY		
Other debtors	101,696	39,883
Prepayments and accrued income	1,596,254	1,535,554
	<u>1,697,950</u>	<u>1,575,437</u>

14 Other creditors falling due within one year	2019	2018
	£	£
GROUP		
Other creditors	335,325	469,338
Accruals and deferred income	86,979	63,129
	<u>422,304</u>	<u>532,467</u>
PARENT CHARITY		
Other creditors	195,687	458,354
Accruals and deferred income	61,646	41,707
	<u>257,333</u>	<u>500,061</u>

15 Retirement benefit schemes

The charity operates defined contribution pension schemes for all qualifying employees in the UK and Belgium. 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 £238,950 (2018: £182,843).

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used

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 £	
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
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
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 2019

16 Description of how restricted funds have been used (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
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
Savitri Waney Charitable Trust 2019-20	-	30,000	(19,642)	10,358
UK Department for International Development (DFID) via the International Institute for Environment and Development (IIED)	23,023	9,402	(32,425)	-
Sub total	2,068,043	4,603,126	(5,312,873)	1,358,296

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used (Continued)

	Balance at 1/1/2019	Incoming resources	Resources expended	Balance at 31/12/19
	£	£	£	£
Brought forward from previous page	2,068,043	4,603,126	(5,312,873)	1,358,296
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)
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)	-
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
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	249,293	115,733	(365,026)	-
Bloomberg - Strategic Climate Litigation via European Climate Foundation 2019-20	-	333,907	(293,054)	40,853
Adverse Costs Fund	-		209,473	209,473
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

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used (Continued)

Rule of Law

European Commission DG Environment (LIFE programme)
Support to an Education and Awareness Raising of Legal Professionals on Access to Justice project with Justice and Environment (J&E).

Children's Investment Fund Foundation – China 2018-21
Support for the development and activities of the China Environmental Governance project.

European Union via GOPA
Support to our EU - China project.

Chris Hohn Foundation – China, external costs
Support to the China Programme's environmental governance work.

MacArthur Foundation 2018-21
Support to our China Programme's core costs.

Thirty Percy Foundation 2018-19
Support to our China Programme's activities on environmental governance.

MacArthur Foundation NGO Fund 2019-21
Support to our China Programme's core costs.

Esmée Fairbairn Foundation - Brexit
Support the charity's work to protect the UK environment in the context of Brexit and more generally.

Waterloo Foundation 2018-19
Support to influence UK environmental policy to ensure sustainable fisheries management in the waters around the UK.

European Climate Foundation via Green Alliance 2018-19
Support to our Brexit work on a 'Strong Environment Act'.

Calouste Gulbenkian Foundation - Brexit
Support to influence UK environmental policy to ensure sustainable fisheries management in the waters around the UK.

Funders for Fair Trade 2018-19
Support from a coalition of funders for the charity's work to ameliorate the environmental impacts of EU and international trade.

World Wildlife Fund 2019
Contribution to workshops on education and awareness raising of access to justice issues amongst legal professionals.

Harbour Seal 2019-20
Restricted donations to support a specific legal action.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used (Continued)

Waterloo Foundation 2019-20

Support to influence UK environmental policy to ensure sustainable fisheries management in the waters around the UK.

Funders for Fair Trade 2019-20

Support from a coalition of funders for the charity's work to ameliorate the environmental impacts of EU and international trade.

Climate accountability & the Paris agreement

Pickwell Foundation 2017-19

Support to develop legal approaches on climate damages and climate accountability.

The Sunrise Project 2018-19

Support to raise awareness on climate risk and disclosure and management duties by the insurance sector.

Sainsbury Family Charitable Trusts (Mark Leonard/Ashden Trust/JJ Charitable Trust – Finance 2017-19

To support the charity's climate finance work on pensions and Divest Invest initiative.

Children's Investment Fund Foundation - Climate Accountability 2018-21

Support for the development and activities of the charity's Climate Accountability programme.

Children's Investment Fund Foundation - Company Financial 2018-21

Support for the development and activities of the charity's Climate Finance programme.

The Sunrise Project 2019-20

Support to raise awareness on climate risk and disclosure and management duties by the insurance sector.

Friends Provident Foundation – 2019-20

Support for research and engagement with financial professional advisors on climate risk.

Wallace Global Fund 2019-20

Support to develop legal strategies to promote action on climate change.

Sainsbury Family Charitable Trusts (Mark Leonard/Ashden Trust/JJ Charitable Trust – Finance 2019-21

To support the charity's climate finance work on pensions.

Pickwell Foundation 2019-22

Support to develop legal approaches on climate damages and climate accountability

Energy Transition

German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety – European Climate Initiative (EUKI)

Support to ensure a state aid regime in Europe that enhances a low carbon transition.

European Climate Foundation - EU Internal Energy Markets 2018

Support the development of legal strategy on the EU's Internal Energy Market reform.

European Climate Foundation - EU State Aid 2018

Support to ensure a state aid regime in the EU that enhances a low carbon transition.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used

(Continued)

European Commission - Horizon 2020

Grant for the action entitled 'PROSumers for the Energy Union: mainstreaming active participation of citizens in the energy transition — (PROSEU consortium project).

Children's Investment Fund Foundation - Energy Markets 2018-21

Support for the development and activities of the charity's energy markets programme.

Children's Investment Fund Foundation - Coal 2018-21

Support for the development and activities of the charity's coal programme.

Bloomberg Energy Markets via European Climate Foundation 2018-19

Support for legal actions aimed at accelerating the transition to low carbon living in Europe, through reducing emissions from existing coal plants, and facilitating the integration of clean and sustainable energy markets.

European Climate Foundation - Poland Coal and Clean Air 2018

To facilitate the transition of the Polish energy sector and phase out coal.

European Climate Foundation - Poland Energy Market Transition 2018

Support to promote the transition of coal to a renewable Polish energy sector.

Kestrelman Trust – Energy Poland 2018-19

Support to promote the transition of coal to a renewable Polish energy sector.

Bloomberg Energy Poland via European Climate Foundation 2018-19

Support for legal actions aimed at accelerating the transition to low carbon living in Europe, through reducing emissions from existing coal plants, and facilitating the integration of clean and sustainable energy markets.

European Climate Foundation - EU State Aid 2019

Support to ensure a state aid regime in the EU that enhances a low carbon transition.

European Climate Foundation - EU Internal Energy Markets 2019

Support the development of legal strategy on the EU's Internal Energy Market reform.

Bloomberg Energy via European Climate Foundation 2019- 20

Support for legal actions aimed at accelerating the transition to low carbon living in Europe, through reducing emissions from existing coal plants, and facilitating the integration of clean and sustainable energy markets.

German Postcode Lottery - Germany Coal

Support to our coal work in Germany.

European Climate Foundation - Poland Coal and Clean Air 2019

To facilitate the transition of the Polish energy sector and phase out coal.

European Climate Foundation - Poland Energy Market Transition 2019

Support to promote the transition of coal to a renewable Polish energy sector.

Bloomberg Energy Poland via European Climate Foundation 2019- 20

Support for legal actions aimed at accelerating the transition to low carbon living in Europe, through reducing emissions from existing coal plants, and facilitating the integration of clean and sustainable energy markets.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used **(Continued)**

Kestrelman Trust – Energy Poland 2019-20
Support to promote the transition of coal to a renewable Polish energy sector.

Pollution and Health

Clean Air campaign donations
Support for air quality campaign activities in the UK.

City Bridge Trust
Support the engagement activities to promote the improvement of air quality in London amongst businesses.

Clean Air legal strategies donation 2018
Support to our Clean Air litigation strategies and the scoping of legal interventions to tackle marine plastics.

Children's Investment Fund Foundation – Air Quality Campaign
Support to our Clean Air Parents' Network project in the UK.

Trust for London 2018-21
Support for a campaign for the adoption and implementation of a Clean Air Zone for London.

Children's Investment Fund Foundation - Clean Air 2018-21
Support for our air quality work to ensure compliance with laws in all major European cities.

Green Budget Europe
Support to our Clean Air Programme's work on Ending Diesel Subsidies in Europe.

John Ellerman Foundation
Support to our core Clean Air Programme costs.

Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ) – European Climate Initiative (EUKI)
Support to tackle coal in domestic heating practises in Poland and wider Central and Eastern Europe through energy legislation.

Postcode Green Trust – Air Quality 2019
Support for air quality campaign, legal affairs, and communications work in the UK.

Postcode Green Trust – Air Quality 2020
Support for air quality campaign, legal affairs, and communications work in the UK.

European Environmental Health Initiative 2018-19 – through Oak Foundation
Support for the better regulation of endocrine disruptor chemicals (EDCs) as part of the organisation's harmful chemicals initiative.

Savitri Waney Charitable Trust 2018-19
General support for the charity's Harmful Chemicals programme.

Plastics Solutions Fund (Zero Waste Europe) 2018-19
Sub-grant from Rethink Plastics Alliance to support work on achieving policy changes at EU level to enable drastic reduction in plastic use and plastic pollution in Europe.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used (Continued)

Global Greengrants Fund 2018-20

Support the charity's work on harmful chemicals with a focus on the enforcement and implementation of the EU Regulation on the Registration, Evaluation, Authorisation and restriction of Chemicals (REACH) and other related pieces of legislation.

Clean Air legal strategies donation 2019

Support to our Clean Air litigation strategies and the scoping of legal interventions to tackle marine plastics.

Plastics Solutions Fund (Zero Waste Europe) 2019-20

Sub-grant from Rethink Plastics Alliance to support work on achieving policy changes at EU level to enable drastic reduction in plastic use and plastic pollution in Europe.

European Environmental Health Initiative 2019-20 – through Oak Foundation

Support for the better regulation of endocrine disruptor chemicals (EDCs) as part of the organisation's harmful chemicals initiative.

Savitri Waney Charitable Trust 2019-20

General support for the charity's Harmful Chemicals programme.

Forests

UK Department for International Development (DFID) via the International Institute for Environment and Development (IIED)

Support as part of a consortium for the CoNGOs project: NGOs collaborating for equitable and sustainable community livelihoods in Congo Basin forests.

UK Department for International Development (DFID) - FGMC 2018-21

Support for the Forests programme through DFID's Forest Governance Markets and Climate (FGMC) Programme.

SEM Trust 2018-19

Support on strategies for improving the operation of the EU Timber Regulation.

Waterloo Foundation - UK NGO Coalition on Forests 2018-19

Support to bring about strategic, systemic change to protect tropical forests through our joint work to engage with, monitor, and inform the Government's policies and funding.

The Tilia Fund 2019-22 via CE US

Support on strategies for improving the operation of the EU Timber Regulation.

SEM Trust – Community Forestry 2019-20

Support to our work on sustainable community livelihoods in African countries.

European Forest Institute 2019-21

Legal support to increase understanding and enhance stakeholder engagement on forest conversion in the tropics.

DFID MFGAP 2019-22

Strengthening forest governance in Liberia.

EU DG Home WWF 2019-21

Strengthening networks and investigation for a more effective implementation of the EU timber regulation.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used

(Continued)

Oceans

Membership contributions to the UK Sustainable Seafood Coalition

Support for the Sustainable Seafood Coalition, a partnership of actors from all sectors of the UK seafood supply chain to advance seafood sustainability in the UK.

Walton Family Foundation 2017-19

Support for sustainable seafood work in Spain and collaboration with the USA and internationally.

Pig Shed Trust 2018-19

Support for the advocacy work to secure strong implementation of the EU's reformed Common Fisheries Policy (CFP).

Funding Fish 2018-19

Support for the advocacy work to secure strong implementation of the EU's reformed Common Fisheries Policy (CFP).

Marine protection and plastics donation 2018-19

Support for scoping legal interventions to tackle marine plastics.

Seas at Risk CFP Project 2020 19-20

Support to our work on Marine Protected Areas in the EU.

Funding Fish 2019-20

Support for the advocacy work to secure strong implementation of the EU's reformed Common Fisheries Policy (CFP).

Levine Family Foundation 2019-20

Scoping and bringing legal interventions on better implementation of Marine Protected areas in the EU.

Adessium Foundation – Fisheries 2019-21

Support for the project on the EU legal framework for fisheries control and illegal, unreported and unregulated (IUU) fishing.

Savitry Waney Charitable Trust– Oceans 2019

Support for scoping legal interventions to tackle marine plastics.

Walton Family Foundation 2019-20

Support for sustainable seafood work in Spain and collaboration with the USA and internationally.

Seas at Risk, consultancy 2019

To develop a toolkit for NGOs on how they can use the Habitats Directive for the protection of the environment.

Wildlife

Kestrelman Trust – Wildlife 2018-19

Support the charity's wildlife work in Poland including legal interventions in defence of the Bialowieza forest.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used

(Continued)

Arcadia Fund 2018-23

Support the charity's wildlife work in relation to Natura 2000 network areas protected under the Nature Directives (Birds and Habitats Directives).

European Nature Heritage Fund 2019- 21

Support to our work on protecting rivers in the Western Balkans.

Kestrelman Trust – Wildlife 2019-20

Support the charity's wildlife work in Poland including legal interventions in defence of the Bialowieza forest.

The Tides Foundation – Patagonia 2019-20

Support to our work on protecting rivers in the Western Balkans.

Grantham Foundation for the Protection of the Environment 2019-23 – via CE US

Support for the revision and implementation of the EU's Common Agriculture Policy.

Evans Family Foundation 2019-20 – via CE US

Support for the revision and implementation of the EU's Common Agriculture Policy.

Strategic Climate Litigation

These funds support work in our core strategic litigation department, which is primarily focused on the Health, Energy and Climate programmes. For the purposes of the Statement of Financial Activities and other notes to the accounts, these funds are distributed through these three charitable activities on the basis of headcount.

Chris Hohn Foundation – Strategic Climate Litigation, external costs

Support the litigation and finance litigation costs in high impact climate change areas.

Wallace Global Fund – Strategic Climate Litigation 2018-19

Support to develop legal strategies to promote action on climate change.

Children's Investment Fund Foundation - Strategic Climate Litigation 2018-21

Support for legal actions aimed at accelerating the transition to low carbon living in Europe, through reducing emissions from existing coal plants, improving air quality and reducing emissions from the corporate sector.

Bloomberg – Strategic Climate Litigation via European Climate Foundation 2018-19

Support for legal actions aimed at accelerating the transition to low carbon living in Europe, through reducing emissions from existing coal plants, and facilitating the integration of clean and sustainable energy markets.

Bloomberg – Strategic Climate Litigation via European Climate Foundation 2019-20

Support for legal actions aimed at accelerating the transition to low carbon living in Europe, through reducing emissions from existing coal plants, and facilitating the integration of clean and sustainable energy markets.

Adverse Costs Fund

Restricted to paying adverse costs orders (or the local equivalent thereof) for which ClientEarth or its partners become liable.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Description of how restricted funds have been used

(Continued)

Restricted core grants

Esmée Fairbairn Foundation - core

To support core costs of our UK Environment work.

German Office (Hermann Bruhn)

To support ClientEarth's work in Germany.

German Office 2019-23 (Hermann Bruhn)

To support ClientEarth's work in Germany.

German Office Forestry

To support ClientEarth's Forestry work in Germany.

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 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 31/12/18
	Balance at 1/1/2018	Incoming resources	Resources expended	
	£	£	£	£
European Commission DG Environment (LIFE programme)	91,829	-	(205,028)	(113,199)
Children's Investment Fund Foundation - China	28,675	-	(28,675)	-
Chris Hohn Foundation - China	200,000	-	(200,000)	-
Rockefeller Brothers Fund	72,165	-	(72,165)	-
Children's Investment Fund Foundation - China 2018-20	-	754,208	(477,265)	276,943
European Union via GOPA	-	180,529	(180,684)	(155)
United Nations Environment Programme (UNEP)	-	7,225	(7,225)	-
Chris Hohn Foundation - China, external costs	-	130,000	(129,143)	857
MacArthur Foundation 2018-21	-	156,785	(27,961)	128,824
Thirty Percy Foundation 2018-19	-	50,000	-	50,000
Funders for Fair Trade	6,941	67	(7,008)	-
Kenneth Miller Trust	7,164	-	(7,164)	-
Esmée Fairbairn Foundation - Brexit	248,309	267,042	(183,252)	332,099
Children's Investment Fund Foundation via Green Alliance	75,306	-	(75,306)	-
Funders for Fair Trade 2017-18	-	118,705	(118,705)	-
Waterloo Foundation 2018-19	-	25,000	(8,571)	16,429
European Climate Foundation via Green Alliance 2018-19	-	49,290	(9,254)	40,036
Calouste Gulbenkian Foundation - Brexit	-	56,332	(19,162)	37,170
Funders for Fair Trade 2018-19	-	89,135	(8,785)	80,350
Frederick Mulder Foundation	14,756	-	(14,756)	-
Friends Provident Foundation	(17,854)	17,854	-	-
KR Foundation via the Oxford University's Smith School	46,479	(25,677)	(20,802)	-
Pickwell Foundation 2017-19	9,802	25,000	(30,249)	4,553
Wallace Global Fund	9,776	-	(9,776)	-
Finance Dialogue via WWF-UK	(85)	5,340	(5,255)	-
The Sunrise Project 2018-19	98,600	-	(81,247)	17,353
Sainsbury Family Charitable Trusts (Mark Leonard Trust/ Ashden Trust/JJ Charitable Trust - Finance 2017-19)	30,000	30,000	(30,744)	29,256
Tellus Mater Foundation	25,000	-	(25,000)	-
Wallace Global Fund - Climate Finance	22,396	-	(22,396)	-
Friends Provident Foundation - 2018	-	94,536	(94,536)	-
Children's Investment Fund Foundation - Climate Accountability 2018-21	-	221,119	(153,180)	67,939
Children's Investment Fund Foundation - Company Financial 2018-21	-	346,533	(254,132)	92,401
The Sunrise Project 2019-20	-	85,000	-	85,000
Ashden Trust	53,156	-	(53,156)	-
European Climate Foundation - EU State Aid 2017	(2,170)	2,170	-	-
Sub total	1,020,245	2,686,193	(2,560,582)	1,145,856

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Restricted funds comparative figures

(Continued)

	Balance at 1/1/2018	Incoming resources	Resources expended	Balance at 31/12/18
	£	£	£	£
Brought forward from previous page	1,020,245	2,686,193	(2,560,582)	1,145,856
European Climate Foundation - EU Internal Energy Market 2017	(5,322)	5,322	-	-
European Climate Foundation - EU Governance and Energy Efficiency 2017	(3,337)	3,337	-	-
Chris Hohn Foundation - Strategic Climate Litigation	260,000	10,715	(270,715)	-
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety - European Climate Initiative (EUKI)	(794)	42,470	(44,628)	(2,952)
European Climate Foundation - EU Internal Energy Markets 2018	-	63,723	(69,472)	(5,749)
European Climate Foundation - EU State Aid 2018	-	36,293	(39,686)	(3,393)
European Commission - Horizon 2020	-	201,470	(61,824)	139,646
Children's Investment Fund Foundation - Energy Markets 2018-21	-	134,030	(41,528)	92,502
Children's Investment Fund Foundation - Coal 2018-21	-	160,272	(66,586)	93,686
Bloomberg Energy Markets via European Climate Foundation 2018-19	-	68,350	(54,240)	14,110
European Climate Foundation - Poland Coal 2017	(9,934)	9,934	-	-
European Climate Foundation - Poland More than Energy 2017	(719)	719	-	-
European Climate Foundation - Poland Energy Sector 2017	(2,984)	2,984	-	-
European Climate Foundation - Poland Energy Efficiency 2017	228	(228)	-	-
European Climate Foundation - Poland Coal and Clean Air 2018	-	72,034	(76,749)	(4,715)
European Climate Foundation - Poland Energy Market Transition 2018	-	24,011	(26,086)	(2,075)
Kestrelman Trust - Energy Poland 2018-19	-	30,000	(14,190)	15,810
Bloomberg Energy Poland via European Climate Foundation 2018-19	-	39,897	(16,781)	23,116
Trust for London	60,026	-	(60,026)	-
Clean Air campaign donations	-	5,000	(1,694)	3,306
City Bridge Trust	4,427	50,000	(43,493)	10,934
Clean Air legal strategies donation 2018	40,313	-	(9,502)	30,811
Children's Investment Fund Foundation - Air Quality Campaign	47,560	-	(41,437)	6,123
Chris Hohn Foundation - Air Quality	123,755	(10,715)	(113,040)	-
Postcode Green Trust - Air Quality	250,000	-	(250,000)	-
Trust for London 2018-21	-	42,500	(37,482)	5,018
Children's Investment Fund Foundation - Clean Air 2018-21	-	133,361	(45,348)	88,013
Green budget Europe	-	19,886	(17,196)	2,690
John Ellerman Foundation	-	50,000	(22,624)	27,376
Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ) - European Climate Initiative (EUKI)	-	71,247	(29,810)	41,437
Sub total	1,783,464	3,952,805	(4,014,719)	1,721,550

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Restricted funds comparative figures

(Continued)

	Balance at 1/1/2018	Incoming resources	Resources expended	Balance at 31/12/18
	£	£	£	£
Brought forward from previous page	1,783,464	3,952,805	(4,014,719)	1,721,550
Postcode Green Trust - Air Quality 2019	-	250,000	-	250,000
SumOfUs	14,852	-	(14,852)	-
European Environmental Health Initiative	3,119	-	(3,119)	-
Global Greengrants Fund	98,775	-	(98,775)	-
European Environmental Health Initiative 2018-19 - through Oak Foundation	-	26,281	(23,954)	2,327
Savitri Waney Charitable Trust 2018-19	-	30,000	(30,000)	-
Plastics Solutions Fund (Zero Waste Europe) 2018-19	-	10,243	(14,843)	(4,600)
Global Greengrants Fund 2018-20	-	152,000	(76,257)	75,743
JMG Foundation	4,667	-	(4,667)	-
UK Department for International Development (DFID) - FGMC	208,959	59,193	(268,152)	-
UK Department for International Development (DFID) via the International Institute for Environment and Development (IIED)	31,965	90,000	(98,942)	23,023
Kestrelman Trust - Forests	2,185	-	(2,185)	-
Natural Resources Defense Council (NRDC)	4,484	8,400	(12,884)	-
Partnership For Policy Integrity (PFPI)	4,730	8,400	(13,130)	-
SEM Trust	17,691	-	(17,691)	-
Bacon Foundation	61,149	-	(61,149)	-
UK Department for International Development (DFID) - FGMC 2018-21	-	874,744	(612,082)	262,662
SEM Trust 2018-19	-	35,000	(19,511)	15,489
UK NGO Coalition on forests 2018-19	-	19,920	(11,862)	8,058
Adessium Foundation - Fisheries	79,780	57,309	(137,089)	-
Membership contributions to the UK Sustainable Seafood Coalition	15,263	48,867	(43,232)	20,898
Calouste Gulbenkian Foundation - Marine CoLABoration	9,895	-	(9,895)	-
Pig Shed Trust 2017	39,844	-	(39,844)	-
Funding Fish 2017	56,473	-	(56,473)	-
Calouste Gulbenkian Foundation - Brexit fisheries	27,458	(6,332)	(21,126)	-
Waterloo Foundation	27,000	-	(27,000)	-
Walton Family Foundation 2017-19	13,457	260,546	(248,979)	25,024
Marine protection and plastics donation	56,244	-	(56,244)	-
Pig Shed Trust 2018-19	-	150,000	(88,216)	61,784
Funding Fish 2018-19	-	210,000	(148,544)	61,456
Marine protection and plastics donation 2018-19	-	37,500	(22,890)	14,610
Old growth forests donations	9,572	-	(9,572)	-
Brexit wildlife donations	5,000	-	(5,000)	-
Polish wildlife donations	-	-	-	-
Kestrelman Trust - Wildlife	41,650	-	(41,650)	-
Oak Foundation	40,000	-	(40,000)	-
Kestrelman Trust - Wildlife 2018-19	-	40,000	(20,227)	19,773
Sub total	2,657,676	6,314,876	(6,414,755)	2,557,797

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Restricted funds comparative figures

(Continued)

	Balance at 1/1/2018	Incoming resources	Resources expended	Balance at 31/12/18
	£	£	£	£
Brought forward from previous page	2,657,676	6,314,876	(6,414,755)	2,557,797
Arcadia Fund 2018-23	-	333,432	(74,098)	259,334
Children's Investment Fund Foundation - Climate Litigation	249,992	180,700	(430,692)	-
Children's Investment Fund Foundation - Climate Litigation, external costs	918,211	(816,409)	(101,802)	-
Chris Hohn Foundation - Strategic Climate Litigation, external costs	342,668	1,033,673	(688,944)	687,397
Wallace Global Fund - Strategic Climate Litigation 2018-19	-	50,305	(41,921)	8,384
Children's Investment Fund Foundation - Strategic Climate Litigation 2018-21	-	1,846,191	(990,422)	855,769
Bloomberg - Strategic Climate Litigation via European Climate Foundation 2018-19	-	361,054	(111,761)	249,293
Children's Investment Fund Foundation - core	17,000	-	(17,000)	-
Chris Hohn Foundation - core	98,227	-	(98,227)	-
Esmee Fairbairn Foundation - core	-	232,958	(232,958)	-
Total	4,283,774	9,536,780	(9,202,580)	4,617,974

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Designated funds

The trustees resolved to create a designated fund for the Gilmour-Samson gift funds (£12,171k), as they have the intention to earmark these funds for particular pieces of work over the short to medium term, to help ClientEarth better meet its charitable objectives.

	Movement in funds			Balance at 31 December 2019
	Balance at 1 January 2019	Incoming resources	Resources expended	
	£	£	£	£
Targeted projects fund	-	12,171,179	-	12,171,179
	-	12,171,179	-	12,171,179

18 Analysis of net assets between funds

	Unrestricted funds 2019	Designated funds 2019	Restricted funds 2019	Total 2019	Total 2018
	£	£	£	£	£
Fund balances at 31 December 2019 are represented by:					
Intangible fixed assets	29,892	-	-	29,892	40,442
Tangible assets	136,876	-	-	136,876	174,707
Current assets/(liabilities)	3,380,793	12,171,179	5,163,537	20,715,509	5,376,644
	3,547,561	12,171,179	5,163,537	20,882,277	5,591,793

	Unrestricted funds 2018	Designated funds 2018	Restricted funds 2018	Total 2018
	£	£	£	£
Fund balances at 31 December 2018 are represented by:				
Intangible fixed assets	40,442	-	-	40,442
Tangible assets	174,707	-	-	174,707
Current assets/(liabilities)	758,670	-	4,617,974	5,376,644
	973,819	-	4,617,974	5,591,793

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

19 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:

	2019	2018
	£	£
Within one year	706,323	602,271
Between two and five years	536,806	851,457
In over five years	35,488	77,640
	<u>1,278,617</u>	<u>1,531,368</u>

20 Related party transactions

Transactions with related parties

During the year the charity received restricted grants totalling £4,908,081 from the Children's Investment Fund Foundation (CIFF) (2018: £4,123,677), 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 (2018: £30,000) a trust of which Sarah Butler-Sloss (a trustee) is also a trustee.

During the year the charity received an unrestricted grant of £118,090 from The McIntosh Foundation (2018: £110,898), a foundation of which Winsome McIntosh (a trustee) is also a trustee.

During the year the charity received an unrestricted grant of £187,375 from The J. Van Mars Foundation (2018: £150,000), 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 (2018: £15,000), a foundation of which Sir Martin Smith (a trustee) is also a trustee.

During the year the charity received a total of £74,523 in unrestricted donations and £178,916 in restricted to core donations from trustees (2018: £89,792).

CLIENTEARTH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21 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 2019 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

22 Analysis of changes in net funds

The charity had no debt during the year.

23 Cash generated from operations

	2019 £	2018 £
Surplus for the year	15,290,484	39,717
Adjustments for:		
Investment income recognised in statement of financial activities	(30,985)	(700)
Depreciation and impairment of tangible fixed assets	61,807	58,922
Movements in working capital:		
(Increase)/decrease in debtors	(161,962)	610,866
(Decrease) in creditors	(110,163)	(85,776)
Cash generated from operations	15,049,181	623,029