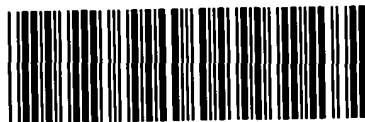


Registered number: 02458951
Charity number: 802956

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

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INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

CONTENTS

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

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

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

Objectives and activities

a. Objectives of IEEP UK

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

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

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

Achievements and performance

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

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

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

Achievements and performance (continued)

Specific projects and activities include:

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

Achievements and performance (continued)

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

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

b. Institutional developments

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

Achievements and performance (continued)

c. Objectives and plans for future periods

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

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

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

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

d. Public benefit

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

Financial review

a. Financial review

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

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

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

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

b. Reserves policy

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

c. Risk management

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

Structure, governance and management

a. Methods of appointment or election of Trustees

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

b. Structure, governance and management

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

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

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

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

Structure, governance and management (continued)

c. Key management and setting their remuneration

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

d. Relationships with Others

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

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

Fundraising

The charity does not carry out any public fundraising.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY


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

Independent Examiner

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

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

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


.....
Malini Mehra

Date: 22 Dec 2023

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

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

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

Responsibilities and Basis of Report

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

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

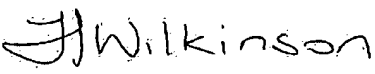
Price Bailey LLP have provided book-keeping services to the Charity. I have applied the FRC's Revised Ethical Standard.

Independent Examiner's Statement

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

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a ‘true and fair’ view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

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

Signed: 

Dated: 5 January 2024

Helena Wilkinson FCA DchA

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

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

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

BALANCE SHEET AS AT 30 JUNE 2023

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

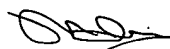
The financial statements have been prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

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

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

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



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

Malini Mehra

Chair

Date: 22 Dec 2023

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

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

2.2 Going concern

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

2. Accounting policies (continued)

2.3 Income

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

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

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

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

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

2.4 Expenditure

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

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

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

2.5 Interest receivable

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

2.6 Foreign currencies

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

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

2. Accounting policies (continued)

2.7 Taxation

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

2.8 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following basis:

Computer equipment	-	25% straight line
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2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

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

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

2.12 Financial instruments

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

2. Accounting policies (continued)

2.13 Pensions

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

2.14 Fund accounting

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

3. Critical accounting estimates and areas of judgment

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

4. Income from Grants and donations

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

In 2022, income from grants and donations were unrestricted.

5. Income from charitable activities

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

In 2022, income from research projects was unrestricted.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

6. Investement income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest received	1,029	1,029	-

7. Other income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Compensation received	2,104	2,104	300
Total 2022	300	300	

In 2022, income from compensation received was unrestricted.

8. Analysis of expenditure on charitable activities

Summary by fund type

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

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

In 2022 all expenditure was unrestricted.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

9. Independent examiner's remuneration

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

10. Staff costs

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

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

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

	2023 No.	2022 No.
Employees	<u>4</u>	<u>1</u>

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

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

11. Trustees' remuneration and expenses

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

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

12. Tangible fixed assets

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

13. Debtors

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

14. Creditors: Amounts falling due within one year

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

15. Prior year adjustment

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

16. Statement of funds

Statement of funds - current year

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

Designated foreign exchange fund

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

Statement of funds - prior year

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

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

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

17. Related party transactions

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