

Charity Registration No. 1053988

Company Registration No. 2863827 (England and Wales)

CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

W Mcintosh
M Stanley
H Covington
B Eno
P Harvey
S Hockman
P Joubert
M Mcintosh
M Robert
F Serfaty
The Honorable E Young
S Butler-Sloss

Secretary

BWB Secretarial Limited

Charity number

1053988

Company number

2863827

Principal address

The Hothouse
274 Richmond Road
London
E8 3QW

Registered office

2 - 6 Cannon Street
London
EC4M 6YH
UK

Auditors

Arram Berlyn Gardner LLP
30 City Road
London
EC1Y 2AB

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
CONTENTS**

	Page
Trustees' report	1 - 15
Statement of trustees' responsibilities	16
Independent auditors' report	17 - 18
Statement of financial activities	19
Balance sheets (Group and Parent)	20 - 21
Notes to the accounts	22 - 35

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities', issued in March 2005.

Objectives and activities

The charity's objects are:

- To promote and encourage the enhancement, restoration, conservation and protection of the environment, including the protection of human health, for the public benefit;
- To advance the education of the public in all matters relating to the law, practice and administration of justice in connection with the environment;
- To relieve poverty through the provision of legal services to those who cannot otherwise afford them; and
- To promote, undertake and commission research into the law, practice and administration of justice in connection with the environment and matters relating thereto, including the impact, direct or indirect, of any human activity on the environment and to disseminate the useful results of such research.

We aim to achieve these goals through advocacy, mobilising support and litigation consistent with our charitable objects through work divided into five broad programme areas:

Biodiversity
Energy
Forests
Environmental Justice
Health

ClientEarth takes science, economics and policy and uses it to assist in the creation of effective laws and ensure that such laws are upheld. We are a group of lawyers freed from the traditional client-lawyer relationship by charitable funding. We work in the public interest so that nature is protected. We defend the interests of nature and the right of all people to a healthy environment.

We work at all stages in the life-cycle of law. We begin by asking what the science tells us. We then craft policy based on the science and our deep understanding of legal systems, creating pragmatic solutions. We next advise law and policy-makers and civil society, helping to turn policy into law. We then work with companies, governments and all relevant stakeholders to implement the law. And finally we go to court when the law needs to be enforced. This comprehensive approach, working at every stage in the life-cycle of the law, is unique among European organisations. It allows us to facilitate profound systemic change.

Our objectives for 2014 were:

- To ensure the strongest possible interpretation and implementation of EU conservation and fisheries legislation, such as the Habitats Directive and the reformed Common Fisheries Policy across the EU, and to facilitate the agreement, in the UK, of voluntary industry codes on responsible seafood sourcing and environmental labelling
- To ensure effective implementation and enforcement of existing EU climate and energy laws, use legal tools to highlight the perception of risks associated with investments in fossil fuels, and support the EU's efforts to work towards a cleaner energy future
- To ensure effective use of legal frameworks to protect the planet's forests by working to improve systems of forest governance, and to engage with ongoing efforts in the EU and internationally to regulate the trade of commodities whose production impacts forests

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

- To scrutinise the actions of the EU institutions to ensure the full realisation of rights to access information, public participation and access to the courts in environmental matters
- To enforce compliance with the Ambient Air Quality Directive across the EU, and more broadly to mobilise public and political pressure to drive improvements in air quality, and accompanying CO₂ emissions reductions
- To reduce the manufacture and use of hazardous chemicals by ensuring those who put chemicals on the market take responsibility for their safe use, and by increasing people's knowledge and understanding of chemical substances, especially in consumer products, and their adverse impacts on human health and the environment.

Each of our programme areas made important contributions to their objectives during 2014. Our strategies for achieving our objectives and our achievements during 2014 are detailed in the Achievements and Performance section of this report.

Public benefit

The charity has kept in mind the Charity Commission's guidance on public benefit. As a small charity, below the Charities Act's audit threshold, the report focuses on the main activities undertaken by the charity to further its charitable purposes for the public benefit. We believe that the main aim of the charity, to promote the protection of the environment, is by its very nature of benefit to all sections of the public. We also believe that the public benefit is further illustrated in this report through the 'Objectives and Activities' and 'Achievements and Performance' sections.

Achievements and performance

Biodiversity

Our vision is of a planet where all life is diverse, abundant and thriving. We want a home where people and nature flourish together. In order to achieve this vision, our overall programme objective is to defend the interests of nature and the right of all people to a healthy natural environment by concentrating on:

- Fisheries – working towards sustainable fisheries management
- Wildlife – defending species and habitats and ensuring sustainable land use
- Water – protecting clean fresh water and healthy oceans

The programme initially focused primarily on marine biodiversity because healthy oceans are essential for the functioning of both terrestrial and aquatic ecosystems, and this is an area that enabled us to make a swift and significant impact in the EU and the UK. In 2014, we continued to work on fisheries and marine conservation while expanding our work to address threats to terrestrial wildlife. As this work develops, we are seeking to understand future threats and discover the best ways to use our skills to improve wildlife protection offered by law.

Sustainable fisheries management

How much we fish, and the way in which we fish, has a major impact on ocean health. Overfishing has continued to be one of the most immediate and significant threats in EU waters and globally. In January 2014, the reformed EU Common Fisheries Policy (CFP) came into force, which prescribes sustainable fishing levels in the EU. Our aim is to contribute to ensuring the strongest possible interpretation and implementation of this law, as an essential step towards ensuring that fisheries management is sustainable, effective, workable and coherent.

To work toward this in 2014, we focused our advocacy on strategically targeted stakeholders who engage in decision-making on fisheries management, primarily in the North Sea and North West Waters. Our work in the North Sea and North West Waters Advisory Councils has helped enable them to more effectively engage in regionalised decision-making, allowing key provisions of the CFP to be adequately reflected in the advice and positions submitted by the Advisory Councils to Member States and the Commission.

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

In addition, our advocacy on core components of the new CFP, such as sustainable fishing levels and the landing obligation, has contributed to informing key decision-makers in the European Commission, Members of the European Parliament and Member States, as well as other organisations, on the accurate interpretation of key legal provisions supporting and complementing the work of those organisations. Our joint advocacy with two other NGOs in the EU institutions in relation to the adoption of the 'Omnibus' Regulation implementing the CFP's landing obligation was successful and appreciated by the different EU decision-makers involved.

The Sustainable Seafood Coalition

In 2011, we found that a third of voluntary environmental fish claims made in the UK were unverified or potentially misleading. Regulation did not exist in relation to voluntary claims or in making fish sourcing practices more sustainable. It still does not. We founded the Sustainable Seafood Coalition (SSC) to make voluntary improvements in areas that lack robust legislation. The SSC unites the majority of UK food retailers, as well as brands, restaurants and suppliers. Our aim is to improve the health of our seas by working with industry through voluntary codes of conduct to increase responsible behaviour (the sourcing code) and facilitate consumer understanding (the labelling code). In September 2014, we published both codes and associated guidance. Members have one year to fully implement the codes.

European marine sites

Marine wildlife is under threat from overfishing as well as other pressures, and we have sought to address this by concentrating on increased marine biodiversity protection through the implementation of EU conservation laws.

In 2014 we saw tangible results from our years of work to secure better compliance with the Habitats Directive in relation to the management of damaging fishing activities in marine special areas of conservation in English waters. 17 new byelaws now prevent bottom towed fishing gear being used in the sensitive parts of 25 such sites. Together with the Marine Conservation Society, we monitored the process and published a report of our findings. We also ramped up our efforts to push the Welsh government in a similar direction. We also researched obstacles to enforcement against illegal fishing in English waters.

Marine mammals

Our work to protect marine mammals also continued. We worked with Whale and Dolphin Conservation on a number of projects, including making legal arguments to push the Scottish government to take action to prevent seal deaths and producing a legal briefing to explain the impact of new jurisprudence on the ability of nations to continue pursuing whaling for scientific purposes.

Wildlife protection

A new grant has increased our capacity to be more active on issues affecting biodiversity on land as well as at sea. In the autumn we provided legal analysis to stakeholders concerned about the impact of new proposals on native species in England and Wales. As a result, the new Infrastructure Act will not undermine the Habitats Directive's protection of key native species such as the beaver. Another area of intervention was the EU No Net Loss Initiative. Our response to the public consultation explained why the policy option of biodiversity offsetting would not be effective and, if made mandatory, may potentially be illegal. Statements from the European Commission so far indicate that a mandatory approach to biodiversity offsetting is now no longer being contemplated. Further, we began work on the upcoming review of the Habitats Directive in order to ensure that this strong conservation law is protected and, if possible, strengthened.

Finally, the year ended with the great news that we were able to extend the footprint of the Biodiversity team to ClientEarth's Warsaw office, thereby strengthening our presence across Europe.

Climate and Energy

The vision of the climate and energy programme is to ensure that the EU makes a fair and proportionate contribution to reducing global greenhouse gas emissions and thereby leads and assists with the global efforts to avert dangerous climate change. This goal is only achievable if there is a fundamental transformation of the

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

European energy sector and such transformation requires completion of the internal energy market, rapid divestment from high carbon fossil fuels, massive investment in building a low carbon and highly energy efficient energy system and strong support for the 'prosumer' (producer and consumer of energy).

Coal power is globally the single biggest barrier to cleaning up our energy systems and therefore we oppose new coal power stations unless they capture the carbon they produce. Given Poland's position as a major investor in new coal and a key opponent of energy modernisation in Europe, ClientEarth has focused on challenging investment in new coal fired power stations in Poland and leading a public debate concerning the national benefits of energy decarbonisation. More broadly we are also working to promote better EU climate and energy law and governance. Our research highlighted the critical importance of good governance in forging an effective pathway to power sector decarbonisation in Europe.

Throughout 2014, our Climate & Energy programme recorded significant achievements across all of our strategic areas. ClientEarth also launched a new Climate Litigation programme which will significantly scale up our efforts to challenge actions that contribute to the risk of dangerous climate change.

Poland Power

After three years of operations in Poland, we have added a new dimension to our strategy in Poland by combining our litigation actions with positive social campaigns for energy modernisation. The Warsaw Administrative Court upheld ClientEarth Poland's standing to participate in both administrative and judicial proceedings concerning six greenhouse gas permits cases while a second instance court quashed a previous decision granting an environmental impact assessment permit to the Leczna Power Plant. As a result of ClientEarth's advocacy efforts, the European Commission sent a letter of formal notice to Poland regarding the failure to correctly implement the carbon capture and storage directive into Polish law in the context of the Opole Power Plant case.

In parallel we initiated, together with NGO partners, a campaign aimed at building strong public support to a favourable legislative framework for "prosumers". ClientEarth submitted a motion to the Constitutional Court based on this earlier legal analysis. During a public hearing in September 2014 in the Parliament on the Renewable Energy Bill we presented information about such a draft motion to parliamentarians. We are looking forward to drafting a complete legal act (Citizens Power Bill) that we will present in 2015 in the context of this campaign.

ClientEarth also significantly strengthened its participation in public debates on all aspects of climate and energy policy and law both at EU level and in Poland. Our legal experts were present on TV, radio, mainstream and energy specialised press. Our communication outputs include more than 300 pieces of media coverage which has contributed to raising awareness and introduced new approaches to the debate.

EU Climate Governance

In 2014 the EU began discussions on the 2030 framework for climate and energy and Energy Union. We increased our efforts to work towards developing and implementing an effective and ambitious EU climate governance model. ClientEarth used its legal expertise and produced a number of briefings aimed at informing NGO partners and discussing how to best address the challenges and opportunities of climate and energy governance in a context of EU 2030 package and Energy Union. Our legal thinking on climate and energy governance principles such as transparency, effectiveness and certainty has been incorporated into key NGOs' discussions, advocacy and position papers.

State aid

In 2014 we began a strategic programme of work on State aid to address how subsidies by EU countries to the energy and industry sectors may assist or hinder the low carbon transition. Such subsidies require formal approval by the European Commission. We developed critical analysis and legal advice on the UK's proposed capacity mechanism (UKCM), and in Poland we brought a challenge against Poland's support scheme for co-firing coal with biomass.

ClientEarth's position is that the UKCM strongly and unfairly favours fossil fuel generation as a solution to future capacity needs, and could be a negative precedent for capacity market proposals in other Member States: a

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

legal intervention was therefore vital. The UKCM has been approved by the European Commission, setting a dangerous precedent across the EU. However, it has been challenged by a company in the European courts, and may therefore be stopped in due course.

In Poland, ClientEarth and a group of NGOs (WWF Poland, Greenpeace Poland and Polish Climate Coalition) challenged support for biomass co-firing before the European Commission. One of the ways to subsidise coal power plants in Poland was the existing support schemes for renewable energy that issued green trading certificates also for the technology of co-firing biomass with coal (both hard coal and lignite). This led to overcompensation for the produced "green energy". As such, support for this technology was not necessary and it led indirectly to supporting the functioning of old coal generating units. This also caused the problem that already depreciated generating units were drawing support away from new investments. We prepared a complaint to the the competition department of the European Commission about overcompensation through the green certificates system, and we are advised that the Polish government has been formally requested to answer questions about the scheme.

Energy Efficiency

ClientEarth continued to engage in the implementation and enforcement of key EU directives on energy efficiency both at EU and national level. ClientEarth's legal analysis has been used by partner organisations in the context of the Ecodesign and Energy Labelling Directives, 2030 and governance issues as well as through our involvement in the Coalition for Energy Savings.

In Poland, we have managed to ensure that both the Partnership Contract and the National Operational Programme Infrastructure and Environment give priority to a complex (deep) energy retrofit of buildings and coordination of the investments in grid/heating network and in new energy sources with energy retrofit of buildings.

New Climate Litigation programme

In 2014 we launched a new Climate Litigation programme. This initiative will build on and amplify our Energy programme. The vision of this programme is to use the powerful tool of litigation, and other forceful legal interventions, to accelerate the low carbon transition. The programme aims to identify, select and deliver an impactful and innovative series of targeted legal interventions to catalyse investment in clean energy systems and drive investment away from fossil fuels.

When fully established in 2015, the programme will involve four projects: clean air; company and financial; energy and coal; and climate damage liability. Together these projects will contribute to our overall goals and will work to amplify and strengthen our existing Energy work. In this report, our clean air work, including our ongoing litigation against the UK government on breaches of air quality standards, is reported under the Health programme; in 2015 this work will continue and expand under the Climate Litigation programme.

Company and Financial Project

The aim of the Company and Financial Project is to use company and financial law and regulation to improve the assessment, management and disclosure of climate change risks by companies and investors, with a view to driving corporate and investment behaviour that will accelerate the transition to a low carbon world.

In 2014, we worked (in collaboration with a group of investors and our partner NGO ShareAction) on two shareholder resolutions that were filed at BP and Shell. These demanded improved disclosure and transparency from both companies on a number of climate change related issues. This included information on their carbon emissions management, the resilience of their asset portfolios to a two degree scenario and their public policy positions on climate change.

We also gathered data on corporate reporting of climate change issues and risk in the UK with a view to taking legal action in 2015 to improve the standards of reporting. In addition, we conducted research into the law on how risks such as climate change are managed by institutional investors such as pension funds and by the boards of large listed companies.

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

We are already seeing our shareholder resolutions at BP and Shell having a significant impact. To co-file a shareholder resolution in the UK, it is necessary to have a coalition of at least 100 co-filers. The coalition of co-filers for these resolutions included an unprecedented number of large pension funds and other institutional investors. In another unprecedented move, the management of both BP and Shell publicly declared their support for the resolutions after they were filed. The resolutions will be voted on at the company AGMs in April and May 2015. If they achieve at least 75% of the vote in favour (which we expect they will), they will become legally binding on the companies, setting new standards for transparency on climate change.

In the run up to the AGMs, numerous other institutional investors have publicly declared their support for the resolutions. The resolutions are therefore also contributing to a major cultural shift amongst institutional investors on engaging with fossil fuel companies on climate change. We plan to build on this development in our ongoing work in 2015.

Energy & Coal

The project aims to use existing EU energy and State aid legal frameworks to force the decarbonisation of the EU energy market. This work will primarily focus on eliminating coal generation from the EU energy supply. It will also seek to accelerate the integration and liberalisation of the EU electricity market, which will act as a further driver of decarbonisation.

Forests

ClientEarth's Forests programme aims to protect forests from deforestation and degradation in order to conserve biodiversity, combat climate change, reduce inequality and tackle poverty.

The demand for timber and products used for food and bio-energy, from the EU and internationally, create a huge pressure on forest land internationally. Recognising the EU as an important market for these goods, and a region with the capacity to influence the design and operation of laws beyond its own boundaries, we have continued to work to influence the design, revision and operation of relevant EU laws.

Recognising the need to also strengthen systems of forest governance, we have worked in particular to support the capacity of civil society partners in key forested countries in Africa (Gabon, Ghana and Republic of Congo) to engage in the reform and operation of law and to support their increased informed participation in forest governance processes.

Drivers of deforestation

Over the last year we have focussed on improving the operation of laws that are relevant to the trade of timber and bio-energy, and on future law and policy options for other drivers of deforestation.

Illegal logging

The EU Timber Regulation (EUTR) came into force in 2013 and seeks to prevent illegally harvested timber from being traded in the EU. If operating well this law, when taken together with similar laws in the USA and Australia, and the potential for similar legislation in other jurisdictions, has the potential to substantially reduce the trade of illegally harvested timber, and so illegal harvesting itself.

Building on the work of previous years, in 2014 ClientEarth has worked with government, private sector and civil society parties to strengthen the EUTR's operation as follows.

First, we worked to ensure a stronger enforcement of the EUTR. To work effectively, those regulated by the law and those providing services to support their compliance, must have a clear, accurate understanding of the law. In the early stages of the EUTR it became clear that this was not the case. To ensure that non-compliance can be sanctioned, it is vital that Member States have the necessary laws in place and are using them to enforce the law effectively. We have worked to identify, draw attention and provoke action where these laws are not in place, and to inform the detail of laws at national level. We have also worked to identify and support practical approaches to enforcement by Member States. Misunderstandings about the details of the law have the potential to undermine its impact and efficacy. We have created and shared analysis to clarify the impact and

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

requirements of the law so that regulated parties, and those providing services to them, are working to an accurate understanding of the steps they need to take and of the services they can offer.

Second, we supported a better understanding of the EUTR requirements, and the opportunities it creates, with timber producers, civil society and government stakeholders outside the EU. We have developed and shared educational materials that provide a clear analysis of the practical implications of the law. This has included contributing to training programmes run in the UK for these audiences and arranging and participating in workshops internationally, including in Vietnam, Liberia and Ecuador.

Third, we leveraged the broader potential of the EUTR to reduce deforestation. Through analysis and advocacy, we highlighted the practical similarities between the EUTR and similar laws in the USA and Australia to support their potential to operate towards a coherent global response to illegal logging by regulated and regulators. We have drawn on analysis of the operation of mechanisms within the EUTR to demonstrate how these may inform laws to address the trade of illegal logging in other jurisdictions, and laws seeking to regulate the trade of other forest-impacting commodities.

Sustainable timber public procurement

In March 2014, the revised EU Public Procurement Directive was published in the Official Journal. Following our previous work on its revision, this Directive, when in effect in 2016, will provide a stronger foundation for those seeking to pursue ambitious public procurement approaches, including for the purchase of timber, palm oil and soy. In 2014, by conducting trainings and providing advice, ClientEarth's work centred on ensuring that those who will be impacted by the new framework had a clear understanding of how to work with these new rules in practice, so as to support their purchasing decisions.

Biofuels

In 2014 we contributed to pushing the Council to vote on the legislative proposal for how ILUC (indirect land use change) issues are addressed in the legal framework governing biofuels. This vote resolved problems created by an earlier vote, when EU energy ministers failed to agree on a position, and creates the potential that the next steps of the legislative procedure will amend the relevant provisions in the Renewable Energy Directive and the Fuel Quality Directive.

We engaged in the Commission's consultation for the reform of its Environmental and Energy Aid Guidelines for 2014-2020. Encouragingly, the new Guidelines phase out subsidies to biofuels made from food crops, a step that we advocated for in our consultation response.

We also developed analysis to inform a new policy proposal (in the Commission's post-2020 Climate and Energy policy framework) to include land use, land use change and forestry emissions into the EU's greenhouse gas reduction framework, to raise attention to the need for appropriate controls to effectively mitigate the risks of further stimulating indirect land use change beyond the EU (with damaging implications for land-use, forest protection and greenhouse gas emissions).

Biomass

ClientEarth worked with other NGOs to develop an advocacy strategy on the sustainability of bioenergy in the context of the debate on the EU 2030 climate and energy policy.

Following this engagement, three major biomass power companies endorsed a joint statement acknowledging the carbon impacts (and need to ensure sustainable production and use) of woody biomass for energy. Such a statement opens an opportunity for - and will add weight to - further advocacy efforts to make EU institutions abandon the policy assumption of carbon neutrality in respect of biomass use for energy, and to develop robust and enforceable sustainability criteria.

This work also contributed to an increased awareness among policy-makers and the general public about the adverse impacts of biomass for energy and the necessary reforms to address them when looking at the EU 2030 Climate and Energy policy framework.

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

EU plan to tackle deforestation

In 2014 we worked with other NGOs to build support in the EU, in particular with MEPs, for an EU action plan to tackle deforestation, building on previous work to ensure this was recognised as a need in the EU 7th Environmental Action Programme (which sets out priorities for environmental policy-making up to 2020).

Forest governance: Africa

Our Africa Legal Empowerment project works in Republic of Congo, Gabon and Ghana to empower civil society organisations (CSOs) with the necessary legal skills to meaningfully participate in multi-stakeholder processes brought about by voluntary partnership agreements between these countries and the EU, and to effectively contribute to strengthening the rights of indigenous people and local communities that depend on forests and of civil society. It is widely recognised that to promote good forest governance, it is necessary that the rights of all citizens, and in particular indigenous people and local communities, are strengthened and that those decisions around forests are taken in a participatory and accountable way.

Throughout 2014, the Africa team has continued to provide legal support to CSOs in Ghana, Gabon and Republic of Congo. In each of the three focus countries, ClientEarth facilitated legal working groups where national civil society, lawyers, researchers and experts come together to provide concrete contributions to legal processes around forest governance. These forums create space for legal analysis and reinforcement of ideas and legal propositions brought by civil society representatives, networks or platforms.

In Gabon on 6 May 2014, the Gabonese Minister of Forests signed a Decree and the Model Benefit Sharing Agreement on forest resources exploitation which was developed by the Legal Working Group, supported by ClientEarth. This is a considerable achievement to secure the rights of forest-dependent communities in Gabon, and could serve as a leading example in the region, given the scarcity of legal tools providing for benefit sharing. Later in the year, the Ministry also announced that it will implement the Decree and the Model with the planned signature of 27 Benefit Sharing Agreements in 2015. Moreover, ClientEarth has provided support to the Gabonese civil society platform to inform a position paper on the Law on Sustainable Development. This position paper served to inform and unify the whole civil society platform position around the remaining concerns and potential risks related to the implementation of this law that was promulgated in August 2014.

In the Republic of Congo, authorities have praised civil society for their participation in law reform. The participation in the Forest Code review in Congo was recognised as a model for the region by the Ministry of Forest Economy. Moreover, ClientEarth supported civil society's efforts to submit preliminary comments on 13 draft implementing decrees to the Forest Code. The majority of comments proposed dealt with the inclusion of community rights and communities' involvement in forest management. Finally, ClientEarth has developed an analysis of the legal framework surrounding Forest Conversion, the results of which were shared with CSOs and international organisations in the country. Discussions around ways to tackle those issues within existing forest governance processes and strengthen synergies for future action are on-going.

In Ghana, over the course of 2014, legal advice and support was provided with respect to the legal timber verification protocols, civil society participation within the Timber Validation Committee, minimum standards for NGO representation, stumpage fee calculation. ClientEarth's support and training resulted into specific comments being put forward by CSOs on an instrument proposed by the Ministry of Land and Natural Resources creates a new type of logging permit for small scale allocation of timber resources outside of forest reserves (the Off-Reserve Legal Instrument) and the draft public procurement policy for timber from the domestic market in Ghana. Finally, with ClientEarth support, a coalition of NGOs and other stakeholders are successfully advocating for the inclusion of the Shea Tree in the Economic Plants Protection Act. The Ministry of Agriculture has agreed to this inclusion which would make it an offence to fell or license to fell Shea trees, which are a fragile resource playing an important role in combating desertification, maintaining soil fertility and humidity and provide an essential source of revenue for women (Shea Butter) in Northern Ghana.

Environmental Justice – the EU Aarhus Centre

The vision of the environmental justice programme is a society in which all environmental decisions are made and implemented in a manner which is open and allows for the participation of all interested parties. Individuals and the NGO community are powerless to influence, intervene or challenge the enactment, implementation and

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

enforcement of laws relating to the protection of the environment without access to information, public participation in decision-making processes, and justice in environmental matters. The environmental law and justice programme seeks to enforce and expand accountability and transparency in the EU and, when the opportunity arises, in other jurisdictions. In furtherance of this goal, ClientEarth established the EU Aarhus Centre in Brussels in 2011 in order to create a dedicated centre of expertise combining thought-leadership, capacity-building and debate, and to identify and bring strategic legal actions. As our work is broad in scope and is applicable to much of ClientEarth's work, we function independently as well as in conjunction with our other programmes.

In 2014, ClientEarth made significant progress in supporting openness, participation and accountability across its three main work streams as follows:

Access rights in legislation and policy

Throughout 2014, we worked, alongside with NGO partners, to push forward improvements in the transparency policies of the European Food Safety Agency (EFSA) and European Investment Bank (EIB). These policies will pave the way towards a shift for more transparency in the behaviour of these two agencies. With regard to the EIB transparency policy review, we challenged key changes made to the policy which were not in line with the access to information law and provided direct legal advice to the coalition of NGOs. As a result of these intensive advocacy efforts, we succeeded in securing new progressive provisions in the final draft of the EIB policy.

With regard to EFSA transparency policy discussion, we continued to deploy our legal expertise to assist the NGO coalition monitoring EFSA's activities. Crucially, our comments during the stakeholders meetings convinced EFSA to include in their discussion paper a proposal on "ensuring reproducibility of the risk assessment" which means that they would give access to information in a reproducible format. If this proposal was to be adopted, it would lead to a fundamental change in the way EFSA deals with risk assessment of food products to be placed on the market as it would allow independent scientists to replicate the scientific assessment carried out by industry, compare their findings and ensure that new products do not harm human health and the environment. The Centre also supported our Toxics team in relation to the development of the European Chemicals Agency's (ECHA) first transparency policy.

Awareness-raising and capacity-building

We continued to provide legal advice to Brussels-based NGOs and individuals on the implementation of the Aarhus Convention and strategic litigation. We provided a number of trainings both externally (3) and internally (2). We co-organised a roundtable in the European Parliament on the lack of access to EU courts. Speakers were a refendaire from the Court of Justice, a Member of the European Parliament, NGOs and a lawyer from prominent law firm Freshfields. This well-attended and constructive event has proved to be useful and we were invited to replicate it in Dublin.

We published a major analysis on the compliance of EU law with the Aarhus Convention. Our analysis has been disseminated to NGOs, lawyers, EU institutional staff and academics. It will also be available online.

Six issues of the EU Aarhus Centre's newsletter, European Environmental Law Observatory News were released during the last year and are available on our website. The newsletter provides updates on important judgments and legal doctrine about general EU environmental law. The newsletter is now a comprehensive and unique legal tool on case-law in environmental law, official decisions of EU institutions and articles disseminated to lawyers, academics, NGOs and EU institutions staff.

Compliance of EU institutions with the Aarhus Convention

In 2013, the Geneva based tribunal, the Aarhus Compliance Committee, released its decision on the case against Germany where we argued that German law did not comply with the Convention's requirements on access to justice. The Committee agreed with the applicants, putting pressure on Germany to change its current legislation and ensure compliance with the right to access to justice. In 2014, the Committee's decision was endorsed by the Meeting of the Parties to the Aarhus Convention that is all the State parties to the Convention in 2014 resulting in a large victory for ClientEarth.

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

We drafted a successful complaint on behalf of Bankwatch to the European Ombudsman against the European Investment Bank for not providing access to their global greenhouse footprint assessment methodology as applied to the South Poland combined heat and power project (concerning the construction and commissioning of a state-of-the-art high-efficiency hard coal-fired cogeneration unit). The Ombudsman recommended the Bank grant full access to it which will allow Bankwatch to assess the environmental impacts and, in particular GHG emissions, of the project.

We assisted our pro bono lawyer in the preparation of his pleadings prior to the hearing before the Court of Justice of the EU in our case against the Commission who rejected our request for accessing conformity-checking studies. The opinion of the Advocate General is due in 2015. The ruling of the Court is likely to be adopted by the end of the year.

We brought two new cases before the EU General court to challenge Commission decisions. The Commission refused to provide us access to the impact assessments and the opinions of the impact assessment board rejecting the assessment of the environment department adopting an access to justice directive proposal. The Commission also refused to provide us access with the same documents on adopting a directive proposal setting out a legal framework for environmental inspections at national level. We are arguing that the contested decision breaches the rules on the access to documents. The collection of data and actual drafting of the impact assessment report is a critical stage since it will inform the decision of the policy-makers to develop a new legislation and its scope. The public has therefore a right to understand and follow the laying of the factual groundwork on which legislative proposals are based. Only in this respect can EU citizens exercise to the greatest extent their democratic participatory rights, including the right to generate public debate.

Health

Clean air

The aim of the Clean Air Project is to enforce compliance with the Ambient Air Quality Directive across the EU, and more broadly to mobilise public and political pressure to drive improvements in air quality, and accompanying CO2 emissions reductions.

EU legislation

In December 2013, the European Commission proposed a revision of the National Emission Ceilings (NEC) Directive – a key air pollution directive which will set air pollution targets for 2020 and 2030. Our work in 2014 focused on providing detailed analysis of the Commission's proposal, drafting position papers, meeting with key MEPs, Commission officials and representatives of national governments to suggest improvements that could be made to the proposed text, and drafting amendments which would give effect to these improvements. In particular, our advocacy focused on improving the overall ambition level of the targets, improving coherence with the Ambient Air Quality Directive, and ensuring that the public have an enhanced role in developing national pollution programmes and overseeing compliance with the Directive.

In November 2014, the Directive faced a serious threat when the new Commission announced that it planned to withdraw the proposal as part of its 2015 work programme. We spent the remainder of the year working to save the proposal by mobilising our European and UK networks of NGO partners, industry contacts, health experts and politicians from across the political spectrum to oppose the withdrawal of the Directive. These efforts were ultimately successful, as the Commission decided not to withdraw the Directive when it presented its final workplan for 2015 in December.

We will continue to influence the final version of the Directive in 2015, drawing on our experience of enforcing air pollution laws in national courts to try to ensure the directives are legally enforceable.

Litigation

In November 2014 we secured a favourable decision from the Court of Justice of the European Union. The court ruling is the first judgment to clarify the effect of the EU Ambient Air Quality Directive, and marks a major step forward in the development of the right to clean air in EU law. The decision is binding across all 28 Member States.

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The ruling emphasised the binding nature of air quality limits and the need for national governments to achieve those limits in the shortest time possible. Critically, the judgment appears to have reduced the scope for national governments in breach of air quality limits to delay taking action to achieve compliance on political or economic grounds. The case continues to receive excellent coverage in the media and is driving major new policies, such as the proposed Ultra Low Emission Zone for London, which will have major benefits for both climate and health.

The decision followed a reference from the UK Supreme Court. The case will return to the Supreme Court in 2015 to hear the final arguments of ClientEarth and the UK Government. We will press for a strong court order that will force the UK to comply with the Directive in a much shorter timeframe.

The other key element of our work in 2014 was in setting up a litigation strategy aimed at bringing and winning cases in other parts of the EU where air quality limits are being breached. In this regard, we have had extensive contact with lawyers in a number of jurisdictions and have built up our networks and legal understanding around other potential cases in Europe. In 2015 this work will become part of our new Climate Litigation programme.

UK: The Healthy Air Campaign

Air pollution has significantly increased in profile over the past year. We also contributed to the Environmental Audit Committee's inquiry into government policy on air pollution. Following the court judgment, the UK Department for Environment, Food and Rural Affairs announced they were reviewing their current air quality plans. The pressure from our campaign partners and our media work has created the political space for ambitious policies to be included in these plans. We have expanded the campaign coalition, including the British Lung Foundation, Cystic Fibrosis Trust and the London Cycling Campaign. The breadth of the partner organisations, covering health, transport and environment, has helped us reach a huge audience and ensure the issue of air pollution is looked at from a variety of viewpoints. Our Healthy Air Campaign website (healthyair.org.uk) received double the web traffic in 2014 as it did in 2013.

Through our Healthy Air London project we are working to increase pressure for more ambitious action in the capital. We are mobilising London community groups to engage with decision- and policymakers on local and London issues, such as the Ultra Low Emission Zone consultation. This work has received London-wide and national media coverage. We have developed resources, such as a short video on how people are exposed to air pollution in the city. This was launched on the Guardian newspaper's website and further promoted via social media.

Toxics

Our Toxics Project aims to reduce the manufacture and use of hazardous chemicals. We want those who put chemicals on the market to take responsibility for their safe use. We aim to increase people's knowledge and understanding of chemical substances, particularly in consumer products, and awareness of their adverse impacts on human health and the environment.

In the EU, the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulatory framework is notable in a number of key respects: first, specific responsibilities are placed on industry to significantly increase the availability, and improve the quality, of information on chemical substances placed on the EU market; secondly, authorisation is required for use of particularly hazardous substances, unless safe use or overriding socio-economic benefit can be demonstrated; and, thirdly, it is explicitly underpinned by the precautionary principle. We identify opportunities for effective legal intervention by focussing on ensuring the transparency and accountability of public bodies charged with the implementation of chemicals regulation and working with other CSOs to improve access to information on chemicals and press for robust and effective implementation of regulatory processes to increase protection from, and substitution of, hazardous substances.

During 2014, this approach was clearly demonstrated by the Toxics programme leading ClientEarth's work on a number of public interest concerns arising from the negotiations between the EU and the US for a Transatlantic Trade and Investment Partnership (TTIP) Agreement.

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Improve availability of information on hazardous chemicals and robust and effective implementation of regulation

During 2014, we became significantly involved in the newly initiated REACH authorisation process. Together with civil society organisations (European Environmental Bureau and Healthcare Without Harm), we challenged the way two key committees of the ECHA (RAC – Risk Assessment Committee and SEAC – Socio-Economic Assessment Committee) proposed to deal with a request for the authorisation of uses of di(2-ethylhexyl) phthalate or DEHP (a substance with recognised reproductive toxicant and endocrine disrupting properties) in products to which consumers are exposed. Particular concerns included: the procedures and argumentation of RAC and SEAC; lack of account being taken of the availability of substitute substances (a key purpose of REACH); and also that full disclosure of relevant information, which would enable informed public participation, was refused on grounds of commercial confidentiality. Our request for information led to action by the applicant before the European Court of Justice to prevent disclosure by ECHA. We have, exceptionally, been granted leave to intervene in the proceedings which will enable us to present to the highest EU judicial authority the critical need for transparency, full disclosure and due process in one of the fundamental process of REACH. We have also continued to engage with the regulatory authorities to demonstrate the regulatory flaws and weaknesses in the current operation and propose ways to strengthen and improve the authorisation process. This included involvement in the development of ECHA's new transparency policy.

Transatlantic Trade and Investment Partnership (TTIP) Agreement

Unlike many trade agreements, the current TTIP negotiations between the EU and the US are aimed at regulatory co-operation and convergence rather than reduction in tariff barriers. The negotiations are of wide concern to civil society in light of the lack of transparency of the scope of negotiating mandates and the way industrial and commercial interests have developed influential lobbying positions with negotiators. The approach of TTIP would represent a serious retrograde step for EU chemicals regulation because of the fundamental differences of approach between REACH and the US Toxics Substances Control Act. We published three critical analyses of proposals for a "chemicals" annex which prompted steps by the European Commission to reassure civil society that there was no intention to weaken the approach of the EU regulatory regime and to institute a series of stakeholder engagement discussions.

We worked with a representative group of EU civil society organisations (Friends of the Earth Europe, European Environmental Bureau, Corporate European Observatory and International Federation of Journalists) to use the EU access to documents regime to open up the TTIP negotiations procedure and process; contributing significantly to the more timely and flexible route of working with the European Ombudsman whose work has been openly critical of the lack of institutional transparency.

We also brought a critical legal perspective to intense public opposition to the proposed inclusion of an investor-state dispute settlement mechanism by raising the potential unlawfulness of the scope proposed. The ensuing response to the Commission's public consultation (the largest ever with over 150,000 submissions) prompted the postponement and re-evaluation of the scope and potential impact of the proposed mechanism.

Plans for future periods

During 2015, we intend to continue our work within our programme areas of biodiversity, energy, forests, environmental justice, and health, and will fully establish the work of our new climate litigation programme, based on the key objectives of ClientEarth.

Over the next five years, we intend to focus on the following:

Biodiversity - Continue to work to improve the implementation and enforcement of EU conservation legislation; ensure further progress towards a sustainable fisheries management framework in the EU, including work on stopping illegal fishing; advocate for an improved EU regulatory framework for aquaculture; promote responsible seafood sourcing in the UK; and reinforce the protection offered to vulnerable wildlife in the EU, including reintroduced former native species.

Energy - develop and implement an effective climate governance model; strengthen the enforcement of EU directives on energy efficiency in the Member States; use European competition law to reduce State aid for coal; support enforcing EU market directives for the achievement of a true and sustainable Energy Union;

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

mature our Poland strategy with an emphasis on leadership in public debate about the energy transition and using litigation as a tool to achieve change; and continue to build the reputation of ClientEarth as a centre of excellence on climate and energy law in Europe.

Climate Litigation - Continue to work on shareholder resolutions on climate change, with increasing levels of ambition. Engage with City regulators and policy makers and take legal action to improve the law, regulation and enforcement in relation to company and investor behaviour on climate change; roll out a programme of multiple litigation actions across the EU, focussed on ensuring progressive governmental action on air pollution; continue to engage with Brussels legislators on improving the ambition level of the new National Emissions Ceiling Directive and related legislation.

Forests - Continue to work to develop the legal capacity of civil society in forested countries to meaningfully engage in the reform and operation of laws, in order to ensure stronger systems of forest governance; continue to work to influence the design and operation of key EU laws that have the potential to address the negative impacts of EU demand on deforestation and forest degradation.

Environmental Justice / EU Aarhus Centre - Win the appeal in ClientEarth v European Commission on access to conformity checking studies; bring a series of other strategic access to information cases before the European Court of Justice and the EU Ombudsman; continue to be the interlocutor of the EU institutions, agencies and bodies on Aarhus Convention related issues; and increase our outreach activities and continue to build the reputation of ClientEarth as a recognised centre of excellence on the application of the Aarhus Convention to EU institutions.

Health / Toxics - Improve the quality and increase the availability of data on chemicals to inform citizens and justify a precautionary approach to their use, especially in the REACH authorisation procedure including in proceedings before the court; ensure the transparency and accountability of public bodies responsible for EU chemicals regulation; prompt regulatory compliance and behaviour change by industry through enforcement of legal obligations concerning the safe use of chemicals; and enhance civil society capacity working in this field by reinforcing their arguments with strong legal analysis and innovative use of legal processes.

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:

Winsome McIntosh (Chair)
Martin Stanley (Treasurer)
Howard Covington (Appointed 19 August 2014)
Brian Eno
Phil Harvey
Stephen Hockman QC
Harvey Jones (Resigned 3 August 2014)
Philippe Joubert (Appointed 12 August 2014)
Michael McIntosh
Mary Robert
Fabienne Serfaty
Henry Tinsley (Resigned 3 August 2014)
The Honourable Emily Young

On 12 August 2014 Stephen Lloyd was elected to the board. Tragically he was killed in an accident eight days later, before the paperwork could be completed for Companies House. Stephen's death is a terrible loss for the charity sector as a whole. The trustees deeply regret that the Charity has missed out on the enormous wealth of experience and expertise that he would have brought. Stephen had been the Charity's lawyer since it was founded and provided extensive advice and guidance on important points on a pro bono basis over the years. Everyone who knew him at ClientEarth feels his loss keenly.

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 COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

New trustees are identified and invited to join the board of trustees by the chief executive officer and the chair of the board of trustees. They are selected on the basis of their sympathy with ClientEarth's charitable objects and their ability to further them as a trustee. New trustees are elected by resolution and approved by a majority of trustees where a quorum is present.

New trustees are provided with an induction pack 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.

Trustees are eligible to remain on the board of trustees until the second annual retirement meeting following their appointment, after which time they become eligible to be reappointed by election.

The organisation is governed by the trustees who meet twice a year during the spring and autumn. A finance committee is established which meets on a quarterly basis, including prior to each board of trustees meeting. Communications and remuneration committees have also been established and meet on an ad hoc basis.

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). During the year the charity invested in creating a chief operating officer position to support the CEO in leading the SMT.

ClientEarth has three operational offices in London, Brussels and Warsaw. 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 where funding allows, with larger programmes also incorporating project leads. This programme-centric structure is distributed across the three offices without reference to geographical location, so that teams may be dispersed in more than one office.

The charity has a registered branch in Belgium.

ClientEarth has a subsidiary undertaking, Fundacja ClientEarth Poland, which is entirely controlled and funded by the UK charity; the board of trustees comprise founders Winsome and Michael McIntosh and James Thornton, while the management board includes members of ClientEarth UK's management team. Fundacja ClientEarth Poland is established as the Polish equivalent of a charity, and its income is derived wholly from grants made by ClientEarth UK to carry out its charitable activities.

The charity has another subsidiary undertaking – a French foundation called ClientEarth France – which is also wholly controlled by ClientEarth UK. It remained dormant during 2013, undertaking no activity during the year and making no financial transactions.

Risk management

The trustees confirm that they have examined the major strategic, business and operational risks which the organisation faces, and confirm that systems have been established to enable necessary steps to be taken to minimise these risks.

Financial review

During the year ended 31 December 2014 the charity received total income of £4,745,573, a 17% increase on 2013 (£4,046,138). Total expenditure remained fairly constant at £3,812,460 (2013: £3,810,712).

At the balance sheet date, the total funds held by the charity were £1,649,056, a 130% increase on the previous year (2013: £715,943). The restricted funds held at 31 December 2014 were £1,377,504, a significant increase on 2013 (£611,178). The unrestricted funds held at the year end increased by 159% to £271,552 (2013: £104,765).

By far the most significant source of income continues to be grants to fund our charitable activities. The grants are from charitable foundations and trusts in the UK, Europe and the USA, and from the UK and EU

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2014

governments. The bulk of these grants are restricted to specific programmes of work, the details of which may be found in note 13 to the accounts.

With so much restricted income, covering the core costs of the organisation continued to be a high priority in 2014. Ongoing improvements to the charity's rationale for apportioning core costs fairly between the programmes facilitated continued improvement in the average level of cost recovery on restricted grants. This process has begun to relieve the pressure on the charity's unrestricted funds, which had been significant during the past two years. During 2014, this allowed the charity to build its reserve fund. In future years a balance will be found between building the reserve and adequately resourcing the core functional teams which remain small relative to the size of the organisation.

Income diversification continues to be a high priority for ClientEarth. Towards the end of 2014 the charity's recruited its first major donor fundraiser. The trustees are also actively considering options for setting up a trading subsidiary.

The cash flow issues experienced by the charity during 2010 and 2011 are now in the past. The trustees are pleased to report that the loan from The McIntosh Foundation to ease cash flow under European Commission LIFE+ funding in 2010-12 was fully repaid during 2014, with a balance outstanding at year end of £Nil (2013: £95,375).

Reserves policy

ClientEarth's reserves policy considers the financial risks to which the charity is exposed and sets the target level of free reserves at four to six months' operating costs (between £1,270,820 and £1,906,230 in 2014).

Progress was made during 2014 in beginning to grow the charity's reserves towards this target level. The free reserves held at 31 December 2014 totalled £271,552, a marked increase on the prior year (2013: £104,765). While this is an encouraging trend, the total reserve is still well below what the trustees consider a reasonable level and they rightly continue to be squarely focussed on increasing the reserve fund more rapidly in the coming years. While improving core cost recovery on restricted programme grants and maintaining lean core operations can and will contribute to growing the reserves, the main focus in the coming year will be on increasing unrestricted income. It is thought that the new major donor programme and, if it proceeds, the subsidiary trading operation will be the primary sources of additional unrestricted income in 2015.

Auditors

On 1 July 2014 Arram Berlyn Gardner was incorporated as Arram Berlyn Gardner LLP. Arram Berlyn Gardner LLP are deemed to be appointed as auditors and will be proposed for reappointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of trustees



H Covington

Trustee

Dated: 07/05/15

CLIENTEARTH COMPANY LIMITED BY GUARANTEE STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of ClientEarth for the purposes of company law) are responsible for preparing the Trustees' 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 the year. 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;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF CLIENTEARTH**

We have audited the group and parent financial statements of ClientEarth for the year ended 31 December 2014 which comprise the consolidated Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Members, as a body, in accordance with Chapter 3 of Part 16 of The Companies Act 2006 and to the charity's trustees, as a body, in accordance with Section 151 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of ClientEarth for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2014 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

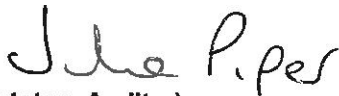
In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE TRUSTEES OF CLIENTEARTH**

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Julie Piper (Senior Statutory Auditor)
for and on behalf of Arram Berlyn Gardner LLP

**Chartered Accountants
Statutory Auditor**
30 City Road
London
EC1Y 2AB

Dated: 13 May 2015

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

CONSOLIDATED SOFA		Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
	Notes				
<u>Incoming resources from generated funds</u>					
Voluntary income	2	475,931	401,806	877,737	819,567
Investment income	3	25	-	25	28
Charitable activities					
Biodiversity Programme		16,677	714,309	730,986	465,386
Climate & Energy Programme		9,563	882,218	891,781	630,506
Climate & Forests Programme		8,356	1,055,309	1,063,665	1,688,258
Health & Environment Programme		11,138	611,723	622,861	291,427
Environmental Law & Justice Programme		3,960	544,111	548,071	144,021
Total Charitable activities	4	49,694	3,807,670	3,857,364	3,219,598
Other incoming resources	5	10,447	-	10,447	6,945
Total incoming resources		536,097	4,209,476	4,745,573	4,046,138
<u>Resources expended</u>					
Costs of generating funds					
Costs of generating grants	6	38,968	124,021	162,989	149,389
Charitable activities					
Biodiversity Programme		51,508	629,727	681,235	587,823
Climate & Energy Programme		104,728	909,958	1,014,686	704,680
Climate & Forests Programme		89,542	1,159,604	1,249,146	1,834,503
Health & Environment Programme		43,939	418,026	461,965	337,610
Environmental Law & Justice Programme		12,777	197,813	210,590	156,840
Total charitable expenditure		302,493	3,315,129	3,617,622	3,621,456
Governance costs	7	27,849	4,000	31,849	39,867
Total resources expended		369,310	3,443,150	3,812,460	3,810,712
Net income for the year/ Net movement in funds		166,787	766,326	933,113	235,426
Fund balances at 1 January 2014		104,765	611,178	715,943	480,517
Fund balances at 31 December 2014		271,552	1,377,504	1,649,056	715,943

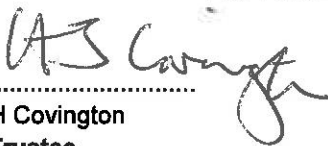
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 DECEMBER 2014**

CONSOLIDATED BALANCE SHEET		2014		2013	
	Notes	£	£	£	£
Current assets					
Debtors	11	471,895		587,391	
Cash at bank and in hand		1,311,352		372,121	
		<u>1,783,247</u>		<u>959,512</u>	
Creditors: amounts falling due within one year	12	<u>(134,191)</u>		<u>(243,569)</u>	
Total assets less current liabilities			<u>1,649,056</u>		<u>715,943</u>
Income funds					
Restricted funds	13		1,377,504		611,178
Unrestricted funds	14		271,552		104,765
			<u>1,649,056</u>		<u>715,943</u>

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts were approved by the Board on 07/05/15


.....
H Covington
Trustee

Company Registration No. 2863827


**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 DECEMBER 2014

COMPANY ONLY BALANCE SHEET		2014		2013	
	Notes	£	£	£	£
Current assets					
Debtors	11	468,025		587,391	
Cash at bank and in hand		1,285,735		370,997	
		<u>1,753,760</u>		<u>958,388</u>	
Creditors: amounts falling due within one year	12	<u>(123,985)</u>		<u>(243,569)</u>	
Total assets less current liabilities			<u>1,629,775</u>		<u>714,819</u>
Income funds					
Restricted funds	13		1,377,504		611,178
Unrestricted funds	14		<u>252,271</u>		<u>103,641</u>
			<u>1,629,775</u>		<u>714,819</u>

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts were approved by the Board on 07/05/15


.....
H Covington
Trustee

Company Registration No. 2863827

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Basis of consolidation

The financial statements consolidate the results of ClientEarth and its wholly-owned subsidiary ClientEarth Poland on a line by line basis. The Charity's wholly-owned subsidiary ClientEarth France has remained dormant since incorporation.

The results of subsidiaries sold or acquired are included in the Income & Expenditure account up to, or from the date control passes. Intergroup transactions are eliminated fully on consolidation.

A separate statement of the financial activities and Income & Expenditure account 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 year ended 31 December 2014 were £4,743,280 (2013: £4,046,138) with the positive movements in funds being £914,956 (2013: £240,518).

1.3 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when received by the charity. All income is shown gross, with associated costs analysed under the relevant cost headings.

Gifts in kind are recognised in the accounts as a donation received and expenditure incurred. These gifts are recorded at their market value of the service or goods provided.

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

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. Grants due in the year, but not received are recognised based on the charity's entitlement to the grant.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Donations and gifts	61,886	-	61,886	58,792
Grants receivable for core activities	414,045	401,806	815,851	760,775
	<u>475,931</u>	<u>401,806</u>	<u>877,737</u>	<u>819,567</u>

3 Investment income

	2014 £	2013 £
Interest receivable	<u>25</u>	<u>28</u>

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Grants and project work	<u>49,694</u>	<u>3,807,670</u>	<u>3,857,364</u>	<u>3,219,598</u>

5 Other incoming resources

	2014 £	2013 £
Other income	<u>10,447</u>	<u>6,945</u>

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2014

6 Total resources expended

	2014		2013	
	Costs of generating funds	Total	Costs of generating funds	Total
Expenditure				
Personnel and recruitment	140,384	2,538,717	140,384	2,444,766
Consultants and external assistance	2,340	401,905	2,340	410,380
Travel, events and meetings	1,139	242,268	1,139	329,073
Publications, subscriptions, memberships and trainings	2,975	96,679	2,975	95,015
Premises and office running costs	-	446,782	-	421,654
Accounting and professional fees	-	73,706	-	92,216
Bank charges	-	4,315	-	5,836
Exchange rate gains/(losses)	-	7,189	-	11,772
Bad debts	-	899	-	-
Overhead recharge	-	-	-	-
	146,838	3,812,460	146,838	3,810,712
Support Costs allocated to activities	16,151	-	16,151	-
Total	162,989	3,812,460	162,989	3,810,712

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

6 Total resources expended	(Continued)			
	Staff costs £	Other costs £	Total 2014 £	Total 2013 £
Costs of generating funds				
Costs of generating grants	156,535	6,454	162,989	149,389
Charitable activities				
<u>Charitable activities</u>				
Activities undertaken directly	2,075,308	1,235,440	3,310,748	3,302,608
Support costs	306,874	-	306,874	318,848
Total	2,382,182	1,235,440	3,617,622	3,621,456
Governance costs	-	31,849	31,849	39,867
	<u>2,538,717</u>	<u>1,273,743</u>	<u>3,812,460</u>	<u>3,810,712</u>

Audit fees (including VAT) charged to the Income and Expenditure account amounted to £9,530 (2013: £9,840) and fees paid/accrued to the auditors for non-audit services amounted to £17,170 (2013: £21,030).

7 Governance costs	2014 £	2013 £
Statutory accounts and audit	12,070	13,200
Statutory accounting fees Poland	-	8,436
Trustees' travel costs	9,323	10,806
Board meetings costs	6,108	6,515
Trustees' liability insurance	1,806	258
Other costs	2,542	652
	<u>31,849</u>	<u>39,867</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. During the year £9,323 (2013: £10,806) of expenses were reimbursed to M McIntosh and W McIntosh relating to travel and accommodation costs for attending trustees meetings. These costs were covered by an unrestricted grant to the charity from the McIntosh Foundation.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2014 Number	2013 Number
Restricted funds projects	45	44
Unrestricted funds projects	9	8
	<u>54</u>	<u>52</u>

Employment costs

	2014 £	2013 £
Wages and salaries	<u>2,538,717</u>	<u>2,444,766</u>

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

	2014 Number	2013 Number
£60,000 - £70,000	4	4
£70,000 - £80,000	1	-
£100,000 - £110,000	1	1
	<u>6</u>	<u>5</u>

Pension contributions for employees whose annual remuneration was £60,000 or more amounted to £56,269 (2013: £61,333).

10 Tangible fixed assets

Group and Parent

	Fixtures, fittings & equipment £
Cost	
At 1 January 2014 and at 31 December 2014	<u>120,570</u>
Depreciation	
At 1 January 2014 and at 31 December 2014	<u>120,570</u>
Net book value	
At 31 December 2014	<u>-</u>

**CLIENTEARTH
 COMPANY LIMITED BY GUARANTEE
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2014**

11 Debtors	2014	2013
	£	£
Group		
Accrued income	337,546	484,424
Prepayments and other debtors	134,349	102,967
	<u>471,895</u>	<u>587,391</u>
 Parent		
Accrued income	337,547	484,424
Prepayments and other debtors	130,478	102,967
	<u>468,025</u>	<u>587,391</u>
 12 Creditors: amounts falling due within one year	2014	2013
	£	£
Group		
Other creditors	13,221	183,168
Accruals	120,970	60,401
	<u>134,191</u>	<u>243,569</u>
 Parent		
Other Creditors	3,019	183,168
Accruals	120,966	60,401
	<u>123,985</u>	<u>243,569</u>

CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

13 Restricted funds

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

Group and Parent	Movement in funds			Balance at 31/12/14
	Balance at 1/1/2014	Incoming resources	Resources expended	
	£	£	£	£
Arcadia Fund	-	300,000	(163,981)	136,019
Calouste Gulbenkian Foundation	-	8,000	-	8,000
Holly Hill Trust – Bats	8,250	10,005	(17,800)	455
Oak Foundation	28,657	-	(28,657)	-
Pig Shed Trust	46,885	300,000	(263,321)	83,564
Sir John Fisher Foundation	-	10,000	(4,000)	6,000
UK Infrastructure Bill	-	10,000	(4,000)	6,000
Walton Family Foundation – Sustainable Seafood Coalition	48,347	69,274	(109,266)	8,355
Whale and Dolphin Conservation	-	7,030	(7,030)	-
Ashden Trust	-	75,000	(31,566)	43,434
European Climate Foundation - EU Climate Policies	-	150,183	(150,183)	-
European Climate Foundation - EU Energy Efficiency	-	89,766	(89,766)	-
European Climate Foundation - EU Power	-	120,022	(120,022)	-
European Climate Foundation - Poland Power	-	222,195	(222,195)	-
European Climate Foundation - Poland Energy Efficiency	-	65,013	(65,013)	-
European Climate Foundation- Balkans	(3,903)	3,700	203	-
European Climate Foundation – Climate Policies	(4,274)	4,102	172	-
Frederick Mulder Foundation	-	25,000	(21,514)	3,486
Intelligent Energy Europe - Community Power Project	(5,598)	-	(52,025)	(57,623)
Network for Social Change	-	13,778	(13,778)	-
Wallace Global Fund	40,372	-	(40,372)	-
Adessium Foundation – Commodity Drivers of Deforestation	60,835	3,998	(64,833)	-
DG Development and Cooperation – EuropeAid	2,462	11,929	(14,391)	-
JMG Foundation	-	40,000	-	40,000
DFID – EU Timber Regulation	40,341	434,110	(459,351)	15,100
DFID – FLEGT Africa	24,250	565,272	(588,683)	839
City Bridge Trust	20,805	53,625	(62,014)	12,416
ClimateWorks Foundation – via Deutsche Umwelthilfe e.V. (DUH) - Black Carbon	(1,139)	27,213	(23,028)	3,046
ClimateWorks Foundation – via Deutsche Umwelthilfe e.V. (DUH) - National Emissions Ceiling (NEC) Directive	6,807	40,950	(37,292)	10,465
European Environment Health Initiative (EEHI)	-	24,666	(24,666)	-
Funders for Fair Trade	-	150,000	(15,628)	134,372
Global Greengrants Fund	66,816	138,656	(127,268)	78,204
Sub total	379,913	2,973,487	(2,821,268)	532,132

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

13 Restricted funds (Continued)

	Balance at 1/1/2014	Incoming resources	Resources expended	Balance at 31/12/14
	£	£	£	£
Brought forward from previous page	379,913	2,973,487	(2,821,268)	532,132
Kenneth Miller Trust	1,270	25,000	(26,270)	-
SumOfUs	15,306	15,865	(14,139)	17,032
Adessium Foundation – Aarhus Centre	34,689	121,628	(122,376)	33,941
Children's Investment Fund Foundation	-	569,490	(165,549)	403,941
Children's Investment Fund Foundation - drawdown facility	-	102,200	(1,271)	100,929
Blue Haven Initiative	-	146,806	(57,904)	88,902
Esmée Fairbairn Foundation	180,000	225,000	(211,873)	193,127
John Ellerman Foundation	-	30,000	(22,500)	7,500
	<u>611,178</u>	<u>4,209,476</u>	<u>(3,443,150)</u>	<u>1,377,504</u>

Incoming resources from generated funds

Arcadia Fund

Support to develop and build the charity's Wildlife Defence Programme.

Calouste Gulbenkian Foundation

To fund participation in the Foundation's Marine CoLABoration initiative.

Holly Hill Trust – Bats

Support for initial legal analysis on the issue of wind turbines' effect on bats.

Oak Foundation

Support for the charity's advocacy work around the EU's CFP reform.

Pig Shed Trust

Support for the charity's advocacy work around the EU's CFP implementation.

Sir John Fisher Foundation

Co-financing support for the charity's coordination of the Sustainable Seafood Coalition.

UK Infrastructure Bill

Support from the Arcadia Fund, the JMG Foundation and the Aspinall Foundation to work on the impact of the UK Infrastructure Bill on species no longer normally present in Britain.

Walton Family Foundation – Sustainable Seafood Coalition

Support for the Sustainable Seafood Coalition, a partnership with major seafood buyers to advance seafood sustainability in the United Kingdom.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

13 Restricted funds

(Continued)

Whale and Dolphin Conservation

Support for the provision of legal expertise to address environmental concerns as they relate to whale and dolphin conservation.

Climate and energy programme

Ashden Trust

Support for the charity's work defending the UK Climate Change Act.

European Climate Foundation – EU Climate Policies

To support the charity's legal strategy on Europe's 2030 Climate and Energy Package.

European Climate Foundation – EU Energy Efficiency

To support the charity's work on the legal framework governing energy efficiency at EU level.

European Climate Foundation – EU Power

To support the charity's legal and policy strategy contributing to Europe's decarbonisation of the power sector.

European Climate Foundation – Poland Power

To support the charity's legal strategy against unabated coal in Poland.

European Climate Foundation – Poland Energy Efficiency

To support the charity's work on the legal framework governing energy efficiency in Poland.

European Climate Foundation – Balkans

Support to develop legal interventions against new coal projects in the Balkan region, and to provide legal support to local anti-coal movements.

European Climate Foundation – Climate Policies

Support to extend work on the Effort Sharing Initiative and develop engagement in the 2030 Campaign HQ Initiative.

Frederick Mulder Foundation

Support for climate damages work.

Intelligent Energy Europe - Community Power Project

Support for work to enable legislation to increase community ownership of renewable energy sources (RES) projects across Europe. The current negative fund balance is due to the payment schedule of the grant.

Network for Social Change

Support for work on air quality in Zakopane, southern Poland.

Wallace Global Fund

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

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

13 Restricted funds

(Continued)

Climate and forests programme

Adessium Foundation – Commodity Drivers of Deforestation

Support for the 'Commodity Drivers of Deforestation' project, aimed at strengthening European efforts to reduce forest degradation through appropriate trade policies and other measures.

DG Development and Cooperation – EuropeAid

Support for the 'Strong Seat at the Table' project aimed at securing effective participation of forest-dependent communities and civil society organisations in the EU's Forest Law Enforcement Governance and Trade (FLEGT) Programme in Africa.

JMG Foundation

General support for the climate and forests programme.

UK Department for International Development (DFID)

Support for the climate and forests programme through DFID's Forest Governance Markets and Climate (FGMC) Programme, comprising two strands:

DFID - EU Timber Regulation

Ensuring the effective implementation and enforcement of the EU Timber Regulation.

DFID – FLEGT Africa

Supporting civil society and forest community organisations in Ghana, Republic of Congo and Gabon engaged in processes related to FLEGT and REDD+.

Health and environment programme

City Bridge Trust

Support for an educational programme to promote the improvement of air quality in London.

ClimateWorks Foundation – via Deutsche Umwelthilfe e.V. (DUH) – Black Carbon

Support for the charity's 'Black Carbon Campaign', setting up a strategy for national campaigning on black carbon, part of a wider 'Soot free' campaign.

ClimateWorks Foundation – via Deutsche Umwelthilfe e.V. (DUH) – National Emissions Ceiling (NEC) Directive

Support for advocacy work aimed at the adoption of a new NEC Directive to reduce air pollution and its impacts on people's health and the environment.

European Environment Health Initiative (EEHI)

To deploy legal expertise in support of EEHI partners' work on the Transatlantic Trade and Investment Partnership (TTIP), endocrine disrupting chemicals (EDCs) and key chemicals regulation issues.

Funders for Fair Trade

Support from a coalition of funders to develop strategic legal interventions to ameliorate the environmental impacts of the Transatlantic Trade and Investment Partnership (TTIP).

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

13 Restricted funds

(Continued)

Global Greengrants Fund

Support for work on the enforcement and implementation of the EU Regulation on the Registration, Evaluation, Authorisation and restriction of Chemicals (REACH), with the ultimate aim of reducing the quantity of toxic chemicals on the market.

Kenneth Miller Trust

Support for the healthy air programme, in particular the 'UK Healthy Air Campaign'.

SumOfUs

Support to intervene in a case before the European Court of Justice in support of European Commission measures that ban the use of certain neonicotinoid pesticides.

Environmental law and justice programme

Adessium Foundation – Aarhus Centre

Support for the 'Aarhus Centre' project to further develop the Brussels-based EU Aarhus Centre, which aims to promote the accountability, transparency and good governance of EU institutions to ensure that citizens are able to exercise their rights as granted by the Aarhus Convention.

Cross-programmatic grants

Children's Investment Fund Foundation

To support legal actions aiming 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.

Children's Investment Fund Foundation – drawdown facility

To support legal actions aiming 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.

Restricted core grants

Blue Haven Initiative

To support the charity's core costs, including inter alia the creation of a Chief Operating Officer post.

Esmée Fairbairn Foundation

To support the charity's core costs, including inter alia senior posts in finance and development.

John Ellerman Foundation

To support a Development Officer post.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

**14 Analysis of net assets between funds
Group**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2014 are represented by:			
Current assets	405,743	1,377,504	1,783,247
Creditors: amounts falling due within one year	(134,191)	-	(134,191)
	<u>271,552</u>	<u>1,377,504</u>	<u>1,649,056</u>

Parent

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2014 are represented by:			
Current assets	376,256	1,377,504	1,753,760
Creditors: amounts falling due within one year	(123,985)	-	(123,985)
	<u>252,271</u>	<u>1,377,504</u>	<u>1,629,775</u>

15 Subsidiary undertakings

Foundation ClientEarth Poland, a foundation incorporated in Poland is a 100% subsidiary of ClientEarth. The foundation does not have any share capital and therefore no investment is shown in the parent only balance sheet.

ClientEarth France, a foundation incorporated in France is a 100% subsidiary of ClientEarth. The foundation does not have any share capital and therefore no investment is shown in the parent only balance sheet.

All funding given by ClientEarth is shown as grants received in ClientEarth Poland. ClientEarth Poland has net assets of £19,282 (2013 £1,124), which are included in the consolidated accounts.

**CLIENTEARTH
 COMPANY LIMITED BY GUARANTEE
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2014**

16 Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	17,479	-	-	3,933
Between two and five years	172,666	173,033	24,546	24,588
	<u>190,145</u>	<u>173,033</u>	<u>24,546</u>	<u>28,521</u>

17 Related parties

During the year the charity received an unrestricted grant of £111,965 from The McIntosh Foundation (2013: £118,358), a foundation of which Winsome and Michael McIntosh (trustees) are also trustees.

During the year the charity received a restricted grant of £300,000 from the Pig Shed Trust (2013: £185,000), a trust of which Harvey Jones (a former trustee) is also a trustee.

During the year the charity received an unrestricted grant of £150,000 from The J. Van Mars Foundation (2013: £150,000), a foundation of which the members of the band Coldplay (patrons) are trustees. Phil Harvey (a trustee) is the band's creative director.

During the year the charity received grants totalling £45,000 from the Holly Hill Charitable Trust (2013: £80,000) a foundation of which Martin Stanley (a trustee) is also a trustee.

During the year the charity received an unrestricted grant of £50,000 from The Tinsley Foundation (2013: £35,000), a foundation of which Henry Tinsley (a former trustee) is also a trustee.

Client Earth France, a French foundation was formed during 2011. The foundation is 100% controlled by ClientEarth and the foundation had no transactions during the year.

ClientEarth Poland, a Polish Foundation is 100% controlled by ClientEarth. A grant of £269,789 (2013: £254,014) was made to the Polish Foundation in the year.