

Charity Registration No. 1053988

Company Registration No. 2863827 (England and Wales)

CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2008

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
CONTENTS**

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditors' report	5 - 6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 13

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

Trustees	S A Hockman M McIntosh W McIntosh V Thomas The Honourable E Young M Robert
Charity number	1053988
Company number	2863827
Principal address	2-6 Cannon Street London EC4M 6YH
Registered office	2-6 Cannon Street London EC4M 6YH
Auditors	Arram Berlyn Gardner 30 City Road London EC1Y 2AB

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

FOR THE PERIOD ENDED 31 DECEMBER 2008

The trustees present their report and accounts for the period ended 31 December 2008.

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 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Reporting Public Benefit: The charity has kept in mind the Charities Commission 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.'

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:

S Hockman

M McIntosh

W McIntosh

M Robert

(Appointed 24 June 2008)

V Thomas

The Honorable E Young

M Stanley

(Appointed 29 May 2009)

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.

New Trustees are identified and invited to join the Board 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.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The charity's objects are the promotion of the protection of the environment for the public benefit by the use of the law, to provide legal assistance to those who otherwise do not have access thereto, to promote education on environmental rights and responsibilities and to conduct research thereon.

We will achieve these goals through lobbying, litigation and research consistent with our charitable objects under several programme areas. Example programme areas include: lessening the impact of climate change; understanding how the regulatory system can produce electricity with fewer CO2 emissions; working on protecting threatened marine resources such as threatened fish stocks and cetaceans; and working on improving access to justice in environmental matters, both in the European Court of Justice and in the legal systems of member states.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2008**

Achievements and performance

Brussels office

We opened our Brussels office in April 2008 (initially with rental of shared office space with another NGO). In December 2008 we secured office space in Brussels on a 9-year lease.

Staffing

We hired new legal staff Anaïs Berthier in April 2008 and Marta Ballesteros in October 2008, both based in Brussels. During the April to December 2008 period we also worked with a number of interns on a voluntary basis, and we were assisted by Ranak Pandya (lawyer) and Kenneth Hill (social media and communications) in the London office on a contract basis.

Programme achievements

The staff of ClientEarth accomplished much during its start up year of operations. Some highlights among many other projects include:

EU Climate and Energy Package: The staff took a lead role among NGOs in Brussels in doing the legal work surrounding the Climate and Energy Package-the set of five Directives that together form the most comprehensive energy and climate legislation to date. The staff advised NGOs working on the legislation, drafted amendments to the legislation, and worked closely with rapporteurs of the key bills, to provide legal support. Particular areas of focus were carbon capture and storage technology, the emissions trading scheme, and effort sharing among countries. The effort was well received and highly regarded by lawmakers and NGOs, and led to stronger Directives.

Climate Change: Because scientists have identified that the most damaging climate policy is building new coal power plants that do not capture their carbon emissions, the staff has worked successfully to prevent the UK from approving a new generation of coal plants. Due to ClientEarth staff work the UK Government has agreed to undertake a Strategic Environmental Assessment before approving any new coal plant. This will give the public the opportunity to push for the wise course, and require full carbon capture on any such plants.

Access to Justice: The staff filed three major actions challenge the legal systems of Germany, the UK and the EU with a failure to provide access to its courts in the way required by a binding treaty known as the Aarhus Conventions. If successful these cases could give citizens far greater opportunity to enforce their environmental rights. The staff also filed two emergency petitions in the French courts seeking to require the French government to enforce the law against driftnet fishing in the Mediterranean. While the French courts did not grant the relief sought, the cases did establish an important right of French citizens to seek environmental orders. The staff also filed challenges to the European Investment Bank's refusal to consult the public on its transport policy, which is central to major infrastructure investment that will determine the amount of carbon generated by transport.

Marine: The staff gained expertise in the Common Fisheries Policy (CFP) and developed a marine strategy that will guide our work on CFP reform for the next 3 years. It also produced briefings for both the European Parliament and NGOs on key points of developing law.

Corporate Transparency: The staff analysed the UK Companies Act 2006, and its requirements to report the environmental and social consequences of company activity, and developed a project that will produce a book length report in this topic area in autumn 2009.

Programme development

During the period April to December 2008, we continued to develop major funding proposals for foundation grants to expand our existing programmes and to secure funding for new programmes. In September 2008, we secured an agreement for extended funding for our climate and energy programme focussed on European law and policy with strategic initiatives at national level (currently UK).

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 DECEMBER 2008

This funding is intended to support a team of 4 lawyers for 3 years (annual grants with an expectation of renewal) from 2009. In December 2008 we secured initial funding from the Ecology Trust, JM Goldsmith Foundations, to scope and develop a new programme of work on climate and tropical forests which also allowed us to prepare funding proposals for this new programme.

Board

We held our third board meeting on 24th June 2008 at the Princes Foundation, London and our fourth board meeting on 12th November 2008 at Middle Temple Hall, London. We appointed Christina Robert as a Trustee on 24th June 2008.

Financial review

During the period ended 31 December 2008 the charity received income of £483,092 (31 March 2008 £262,883).

At the 31 December 2008 the charity had net assets of £259,753 (31 March 2008 £123,046).

At the balance sheet date unrestricted funds were £104,004 (31 March 2008 £45,600). Of the unrestricted assets at the balance sheet date £96,435 (31 March 2008 £40,419) was made up of unrestricted cash. It is the aim of the charity to maintain sufficient available funds to enable it to operate for a period of twelve months from any date of review, which was achieved during the period to 31 December 2008.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put to the members.

On behalf of the board of trustees


Trustee
Dated: 28/10/09

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the accounts of ClientEarth for the period ended 31 December 2008 set out on pages 7 to 13. These accounts have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees, who are also the directors of ClientEarth for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities..

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with those accounts, if the charity has not kept proper accounting records, if the charity's accounts are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

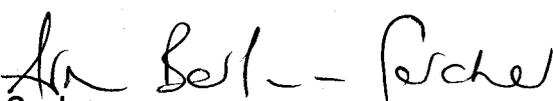
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

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

Opinion

In our opinion the accounts:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 December 2008, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended.
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the accounts.


Arram Berlyn Gardner

Chartered Accountants

Registered Auditor

30 City Road

London

EC1Y 2AB

Dated: 28 October 2009

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2008**

	Notes	Unrestricted funds £	Restricted funds £	Total 2008 £	Restated Total 2008 £
<u>Incoming resources from generated funds</u>					
Voluntary income	2	162,917	319,045	481,962	260,975
Investment income	3	1,130	-	1,130	1,908
Total incoming resources		164,047	319,045	483,092	262,883
<u>Resources expended</u>					
Costs of generating funds	4				
Costs of generating grants		35,598	-	35,598	20,656
Net incoming resources available		128,449	319,045	447,494	242,227
Charitable activities					
Charitable activities		33,620	240,742	274,362	108,880
Governance costs		36,425	-	36,425	52,817
Total resources expended		105,643	240,742	346,385	182,353
Net income for the year/ Net movement in funds		58,404	78,303	136,707	80,530
Fund balances at 1 April 2008		45,600	77,446	123,046	42,516
Fund balances at 31 December 2008		104,004	155,749	259,753	123,046

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 DECEMBER 2008

	Notes	2008		2008	
		£	£	£	£
Fixed assets					
Tangible assets	7		3,627		3,648
Current assets					
Debtors	8	133,161		38,350	
Cash at bank and in hand		153,756		92,627	
		<u>286,917</u>		<u>130,977</u>	
Creditors: amounts falling due within one year	9	<u>(30,791)</u>		<u>(11,579)</u>	
Net current assets			<u>256,126</u>		<u>119,398</u>
Total assets less current liabilities			<u>259,753</u>		<u>123,046</u>
Income funds					
Restricted funds	10		155,749		184,318
Unrestricted funds			104,004		(61,272)
			<u>259,753</u>		<u>123,046</u>

The accounts were approved by the Board on 28 October 2009



Trustee

Company Registration No. 2863827

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2008**

3 Investment income

	2008 £	2008 £
Interest receivable	1,130	1,908

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2008 £	Total 2008 £
Costs of generating funds					
Costs of generating grants	16,341	-	19,257	35,598	20,656
Charitable activities					
<u>Charitable activities</u>					
Activities undertaken directly	160,392	1,815	112,155	274,362	108,880
Governance costs	2,074	-	34,351	36,425	52,817
	<u>178,807</u>	<u>1,815</u>	<u>165,763</u>	<u>346,385</u>	<u>182,353</u>

Audit fees (including VAT) charged to the Income and Expenditure account amounted to £2,415 (31 March 2008 £2,350) and fees paid to the auditors for non-audit services amounted to £5,215 (31 March 2008 £4,124)

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2008**

6 Employees

Number of employees

The average monthly number of employees during the period was:

	2008	2008
	Number	Number
Restricted funds projects	4	2
Mixture of restricted funds projects and general	2	1
	<u>6</u>	<u>3</u>

Employment costs

	2008	2008
	£	£
Wages and salaries	178,807	29,421
	<u>178,807</u>	<u>29,421</u>

There were no employees whose annual emoluments were £60,000 or more.

7 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
At 1 April 2008	5,467
Additions	1,794
	<u>7,261</u>
At 31 December 2008	
Depreciation	
At 1 April 2008	1,819
Charge for the period	1,815
	<u>3,634</u>
At 31 December 2008	
Net book value	
At 31 December 2008	<u>3,627</u>
At 31 March 2008	<u>3,648</u>

CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2008

8 Debtors	2008 £	2008 £
Other debtors	127,873	32,507
Prepayments and accrued income	5,288	5,843
	<u>133,161</u>	<u>38,350</u>

9 Creditors: amounts falling due within one year	2008 £	2008 £
Taxes and social security costs	14,442	2,154
Other creditors	5,187	2,230
Accruals	11,162	7,195
	<u>30,791</u>	<u>11,579</u>

10 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:

	Movement in funds			Balance at 31 December 2008 £
	Balance at 1 April 2008 £	Incoming resources £	Resources expended £	
Esmee Fairbairn Foundation	26,224	25,000	(33,503)	17,721
European Climate Foundation- Fund 1	25,238	28,350	(44,879)	8,709
Oak Foundation	25,984	102,873	(102,655)	26,202
European Climate Foundation- Fund 2	-	23,861	(23,861)	-
Ecology Trust	-	30,000	(2,500)	27,500
Holly Hill Trust	-	20,833	(8,806)	12,027
Staples Trust	-	21,667	(9,136)	12,531
European Climate Foundation- Fund 3	-	66,461	(15,402)	51,059
	<u>77,446</u>	<u>319,045</u>	<u>(240,742)</u>	<u>155,749</u>

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

FOR THE PERIOD ENDED 31 DECEMBER 2008

11 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2008 are represented by:			
Tangible fixed assets	2,281	1,346	3,627
Current assets	108,277	178,640	286,917
Creditors: amounts falling due within one year	(6,554)	(24,237)	(30,791)
	<u>104,004</u>	<u>155,749</u>	<u>259,753</u>

12 Related parties

During the period the charity received grants of £125,937 (31 March 2008 £82,819) from The McIntosh Foundation, a foundation in which the trustees M McIntosh and W McIntosh are trustees.