

**Institute for European
Environmental Policy,
London** also trading as:



**Annual Report and Financial
Statements**

30 June 2020

Company Limited by Guarantee
Registration Number
2458951 (England and Wales)

Charity Registration Number
802956

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Reference and administrative information

Trustees	Herman Wolters (Chair) Dale Chadwick Natalia Danailov Adam Gillingham Patricia Henton Malini Mehra (appointed 7 August 2020)
Officers	
Executive Director of the Institute	Céline Charveriat
Registered address	IEEP Offices Floor 3 11 Belgrave Road London SW1V 1RB
Company registration number	2458951
Charity registration number	802956
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank Tavistock House Tavistock Square London WC1H 9XA
Solicitors	Bates Wells and Braithwaite LLP 10 Queen Street Place London EC4R 1BE

The Institute for European Environmental Policy, London (trading as the Institute for European Environmental Policy or IEEP) is a registered charity and not-for-profit company limited by guarantee and, as such, is governed by its Memorandum of Association and Articles of Association. Directors, who are also the charitable Trustees, present their report together with the audited financial statements for the year ended 30 June 2020, which have been prepared in accordance with current statutory requirements; the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objects and policies of the Charity

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

These objects are achieved by all appropriate means, including research, the provision of advisory services and preparation of commissioned reports, the organisation of conferences and training courses, and the publication of manuals and other books, reports, articles and newsletters, utilising both digital and paper media. IEEP has offices in London and Brussels. The Institute has associate colleagues and partnerships with similar institutions across Europe, including a membership scheme called Think Sustainable Europe (TSE).

The figures within this set of statutory financial statements relate to IEEP London, however it is not possible to consider IEEP London's aims and objectives in isolation from those of IEEP AISBL and the IEEP family's wider strategy. As such, the trustees' report includes references to the activities of both IEEP London and IEEP AISBL.

Aims and activities

IEEP London's overarching goal for 2019-2020 is to contribute to ensuring that Europe's post-2020 agenda brings greater environmental sustainability to the continent, in line with science, European Treaties and Europe's international commitments, including the Sustainable Development Goals and Multilateral Environmental Agreements.

2019/20 was a critical year for environmental policy in Europe, and for the Institute. The new historical chance brought about by the proposal of the European Green Deal launched in December 2019 was well reflected in the new biannual Institute's strategy.

IEEP's central aim for 2020-22 is to **ensure that Europe's post-2020 agenda (and more specifically the green deal) is designed and implemented to kick start a transition towards sustainable living within the means of our planet and in line with SDGs** focusing on the following goals:

- **Prosperity:** translate into action Europe's vision for a new low-carbon and resource-efficient production and consumption model;

Aims and activities (continued)

- **Nature:** embark on a post-2020 ambitious and credible restoration pathway of Europe's ecosystems;
- **Well-being:** promote a European vision for a people-centred sustainability transition for better health, and social justice, which leaves no one behind;
- **Peace and security:** Ensuring the EU supports a worldwide transition towards greater sustainability.
- To complete the partial transfer of activity, staff and assets to the IEEP AISBL in Belgium to enable IEEP's charitable objects to continue to be met, following also Brexit implementation after 31 December 2020. In accordance with the cooperation agreement adopted by the boards of IEEP AISBL and IEEP London in 2019, IEEP London will continue working in cooperation with IEEP AISBL to achieve their common objectives;
- Continue to focus on key environmental policy issues, – including agriculture, biodiversity and land use, low-carbon circular economy, sustainable consumption, innovation for sustainability, the social and health dimensions of Europe's environmental policy, governance, SDGs and global challenges;
- Contribute to highlight and inform key strategic choices for the EU, through our Think2030 conference and Think Sustainable Europe;
- Continue to advise on impacts on Europe-wide and UK environmental issues that may arise because of Brexit.

Review of the period

Achievements and performance in 2019/20

Thanks to the excellent work of our staff, we continued to strengthen our reputation as a trusted and independent adviser on environmental sustainability in Europe as well as globally, carrying out research, informing debates, convening diverse stakeholders across member states, and building the capacity of decision-makers and influencers regarding key legislative and evaluation processes.

IEEP has continued to deliver strong policy-relevant research in FY20, has entered new debates (indicators for the green deal) increased its visibility through communications, and embarked on a new journey thanks to the Life grant, which is bringing more stable income to the organisation, covering some core costs and supporting the development of a pan-European network of sustainability Think tanks with IEEP at its helm. Following the establishment in the previous reporting period of a stand-alone, not-for-profit legal entity in Belgium, IEEP Association Internationale Sans But Lucratif (IEEP AISBL), we have expanded our Brussels operations and we now have 16 members of staff (16.6 FTE). The second year of IEEP AISBL ended on 30 June 2019 and **staff and activities have been transferred to the Belgian entity** in accordance with UK and Belgian legislation implementing the Transfer of Undertakings Directive 2001.

Review of the period (continued)

Achievements and performance in 2019/20 (continued)

IEEP AISBL will in future tender for any contracts with the European institutions, but will have full access to the experience and intellectual property developed over IEEP London's long track record of carrying out such work.

The Strategic Advisory Council, a body of highly respected professionals headed by IEEP's Honorary Chair MEP Sirpa Pietikainen, whose role is to advise IEEP regarding its programmatic focus, held its third meeting on 11 December 2019, giving a steer about how to influence the implementation of the European green Deal, how to develop the membership strategy as well as the development of the Institute's model of funding and theory of change.

At the beginning of 2019, the board of IEEP decided to make **IEEP a membership organisation** with the following objectives:

- Create a pan-European network of sustainability think tanks as the "engine room" of Think2030;
- Support evidence-based decision-making in Europe and at Member State level in the field of sustainability;
- Share information about key environmental debates and opportunities for change in Brussels and at the Member State level;
- Explore and conduct joint strategies and activities at Member State, EU level (research, awareness raising, capacity building, and fundraising) and other European countries.

In accordance with the statutes of the AISBL, we consult our members on our priorities on an annual basis during the General Assembly. Members also participate in the annual meeting of IEEP's Strategic Advisory Council.

The membership network, called [Think Sustainable Europe \(TSE\)](#), included at the end of FY 2019-2020: Ecologic Institute (Germany), TMG Research GmbH (Germany), IDDRI - Fondation Institut du Développement Durable et des Relations Internationales (France) and SEI - Stockholm Environment Institute (Sweden).

The focus of the first year of the membership was to co-organise Think2030 during the autumn of 2020 in Berlin, to coordinate strategies around the green deal and Europe's recovery strategy and

While the COVID19 crisis created hardship on the organisation and its staff in the last quarter of FY20, IEEP's management team was able to put in place fully virtual ways of working through the installation of new software, the generalisation of laptops as well as capacity building around the organisation of online conferences. This allowed IEEP to continue delivering projects; to fundraise throughout the period and to finish the year close to financial equilibrium.

Review of the period (continued)

Achievements and performance in 2019/20 (continued)

The cooperation agreement also allowed for a fruitful collaboration between IEEP London and IEEP AISBL, allowing for the realisation of projects as well as cost sharing of staff and facilities.

For what concerns the financial **year 2020-21 the forecasts** foresee the likelihood to reach equilibrium thanks to cost reductions and to the strong focus on income development and tendering.

During this financial year, **IEEP London and IEEP AISBL worked together on over 50 research projects for a total gross income of £ 2,385,986.24 (€ 2,720,763, converted here)**. 20% of the funds originated from grants and 80% from services contracts. Please find below some highlights of the impact of our projects against the objectives of our FY20-22 strategy.

AIM1 : Prosperity:

Translate into action Europe's vision for a new low-carbon and resource-efficient production and consumption model. We continued our research and science-based work of advising policymakers in this area and these have been the main highlights of our work:

- Production of guidance for member states' regulators on eco-innovation as part of our Making the circular economy work project (funded by participating member States' governments)
- Support to the Circular Plastics Alliance in establishing a work plan to develop guidelines and standards on design-for-recycling of plastic products (not publicly available)
- Research on innovative measures for tackling plastic pollution on the marine environment (H2020 – SEALIVE and H2020 - CLAIM)
- Publication of new proposals around methodologies for tracking climate expenditures within the EU budget (European parliament)

AIM2: Nature:

Embark on a post-2020 ambitious and credible restoration pathway of Europe's ecosystems. We continued our research and science-based work of advising policymakers in this area and these have been the main highlights of our work:

- Support to the implementation of Europe's biodiversity strategy, for instance the NATURA 2000 network (Management effectiveness in the EU's Natura 2000 network of protected areas, DG ENV) or the EU Pollinators initiative (Halting the loss of pollinators: Role of EU agricultural and regional development policies event, DG ENV)

Review of the period (continued)

Achievements and performance in 2019/20 (continued)

AIM2: Nature: (continued)

- Contribution to policy debates on the CAP through the Evaluation of CAPs impact on biodiversity, habitats and landscapes as a contractor for DG AGRI
- Contribution to the terms of the debate on the bioeconomy through a Project for Biobased Industries Consortium - Assessing progress towards Sustainable Development Goal targets and well as a study on the Potential impacts of bioenergy developments on habitats & species protected under Nature Directives (DG ENV)
- Brokering between industry and NGO around a common research and innovation agenda for sustainable agriculture in Europe and beyond for Horizon Europe (BMFG's Agriculture R&D support in the EU).
- Research in collaboration with ARLA on A vision for the future of the European dairy industry

AIM3: Well-being:

Promote a European vision for a people-centred sustainability transition for better health, and social justice, which leaves no one behind. We continued our research and science-based work of advising policymakers in this area and these have been the main highlights of our work:

- Design of the first conceptual framework for climate justice in Europe, which was presented at the UN New York climate summit as part of our UNited for Climate Justice project and later published as a report called Green Deal for All
- Research on the interlinkages between environment and mental health, with a focus on policy recommendations for the EU.

AIM 4: Peace and security: *Ensuring the EU supports a worldwide transition towards greater sustainability.* We continued our research and science-based work of advising policymakers in this area and these have been the main highlights of our work:

- Publication and policy engagement of key EU and international stakeholders on harnessing EU trade policy to create a worldwide circular economy
- Publication and policy engagement on aligning EU trade policies with the green deal (An EU Green Deal for trade policy and the environment: Aligning trade with climate and sustainable development objectives).
- Publication of the first independent, quantitative report on Europe's progress towards the SDGs based on a distance to target methodology (Europe sustainable development report 2020 (ESDR))
- Providing advice to a major foundation regarding its priorities for green trade.

Objectives, aims and plans for future periods

IEEP's central aim for 2020-22 will continue to be to **ensure that Europe's post-2020 agenda (and more specifically the green deal) is designed and implemented to kick start a transition towards sustainable living within the means of our planet and in line with SDGs** focusing on the following goals:

- **Prosperity:** translate into action Europe's vision for a new low-carbon and resource-efficient production and consumption model;
- **Nature:** embark on a post-2020 ambitious and credible restoration pathway of Europe's ecosystems;
- **Well-being:** promote a European vision for a people-centred sustainability transition for better health, and social justice, which leaves no one behind;
- **Peace and security:** Ensuring the EU supports a worldwide transition towards greater sustainability.

Public benefit

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

Resources and thanks to staff

During the 12 month period, the number of staff who worked for IEEP for all or part of the year, was 30.85 Full Time Equivalents (FTE) (in detail: 14.25 FTE for IEEP London and 16.6 FTE for IEEP AISBL) including the Executive Director (2018/19 FTE – 30). Associates and an honorary fellow also contributed to the Institute's work throughout the year, working closely with research staff on a number of projects. Whilst the Institute is not dependent on unpaid volunteers, we welcomed a number of volunteer "interns" throughout 2019/20 as well as CIP staff (Belgium 6-months long paid contract for new graduates) who assisted us on a variety of projects and tasks in both London and Brussels.

The Trustees would like to thank all the staff and volunteer interns who have worked so hard and so ably to deliver the work of the Institute over the past year.

The Institute continues to have offices in central London and in Brussels, which are also used for conferences and a series of workshops and seminars.

Financial review

The Institute's funds have been applied in furtherance of the company's objects, as detailed above. In addition, some surplus office space was rented out and the financial statements reflect this income and associated costs. Its assets are held for the efficient operation of the company.

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

Total gross income in the year to 30 June 2020 was £201,021 (2019 – £1,394,079). Total expenditure on activities in the period was £244,946 (2019 – £1,403,678). The gross income and expenditure on activities were lower than the previous year as projects were transferred to IEEP AISBL part-way through the previous year. Before taking into account gains on foreign currency exchange, the Institute made a loss in 2019/2020 of £43,925 (2019 – a loss of £9,599). The gain on exchange was £8,362 (2019 – gain on exchange £16,109).

The share of the RURANET surplus was £nil (2019 – £46,418) taken on a received, rather than accrued basis and is included with income under the requirements of FRS 102. IEEP London, in anticipation of the UK departure from the European Union resigned as a member of the Ruranet EEIG as of 30 June 2018 as non-EU organisations cannot be member of an EEIG, IEEP AISBL was invited to be a member of Ruranet from 1 July 2018.

The net movement in funds for the period, after taking in gains and losses on foreign exchange was net expenditure of £35,563 (2019 – net income of £6,510).

At 30 June 2020, total funds stood at £486,647 (2019 – £522,210). Further details of the financial performance for the period and reserves are included in the Financial Statements.

The Trustees are of the opinion that the assets of the charity at the accounting date are available and adequate, within the normal commercial meaning attributed to those words, to fulfil the obligations of the charity. Other than unfinished projects allowed for in the financial statements, the Institute's only significant outstanding commitment is to the lease on its London office which runs until March 2021.

Reserves policy

The Trustees consider that it is appropriate for the Institute to hold reserves to fund work in progress and as a guard against the risk of an uneven flow of income. The need to fund work in progress is particularly important as the Institute is subject to fluctuations in cash flow arising from the payment arrangements under certain contracts with the European Commission. The Trustees believe the reserves of IEEP London and IEEP AISBL must allow to cover at least 6 months of expenditures of the two organisations.

Financial review (continued)

Reserves policy (continued)

The level of unrestricted reserves at the end of the period was £486,647 (2019 – £522,210) which was more than the level outlined above. The Trustees may discuss whether it would be appropriate to transfer some more reserves to IEEP AISBL, in furtherance of IEEP London's objects.

Treasury management policy

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

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

Risk management

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

The Covid-19 crisis and its consequences were taken into account since the beginning of the first lockdown in March 2019. The Board was reassured about the practical solutions found in order to facilitate interactions between London and Brussels office during Coronavirus crisis time.

The Board considered that the risks and challenges were rightly identified internally and externally in the ED's report presented to the Board in April 2019. They included:

1- Contingency planning around project delivery and other key processes

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

Risk management (Continued)

2- HR

- i. Office closure and travel bans, using the most restrictive standards as a basis (between Belgium and UK), until the end of the confinement and the permission to travel again.
- ii. Recognition of reduced productivity and flexibility around working rhythm to account for child-care, care for sick people within households, internet connectivity issues, lack of space to work from, anxiety etc....
- iii. Strong encouragement not to postpone leave, with no additional exceptions to the rule for maximum 7 carry over days in calendar year 2020.
- iv. Coordinated approach to granting leave to prevent multiple absence when business restarts.
- v. Encouragement to take time off/reduce working hours for those who might want it to take care of their family or those who have reduced workloads

3- Finance and fundraising

- i. Follow through on formulation of income targets by teams, by individuals and performance objectives related to fundraising.
- ii. Formulation of new fundraising strategy which takes into account uncertainty through different scenarios.

4- Systems

- i. Support on demand from IT officer for all staff who might struggle at home with their IT
- ii. Use by default of Microsoft teams for all internal and external virtual meetings

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

- i. Note about office closures
- ii. Regular notes to staff outlining key guidelines
- iii. Regular EMG communications in writing
- iv. Virtual all staff meetings on Monday
- v. Virtual engagement through small working groups on strategy and action plan

Risk management (Continued)

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

Structure, governance and management

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

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

The Trustees maintain responsibility for the charity's strategy, governance and risk management. The Board reviewed its governance model in the light of the anticipated organisational changes, the creation of IEEP AISBL, and the formation of a Strategic Advisory Council (SAC). The new model consists of a common core of trustees who serve on both the London and Brussels entities, supported by two independent trustees in each territory. This will allow the trustees to continue to operate as a Unitary board for most decisions but also to be able to rely on independent trustees where there might be a conflict of interest. The Unitary Board, including all 4 independents, will provide financial and governance oversight and support for the executive, while the SAC contributes more to the environmental priorities of the Institute. To fulfil this responsibility the board has decided to dispense with standing committees (the Finance Committee being the only current example). A trustee will be designated to give special attention to financial matters but they will remain the responsibility of the whole board, which will continue to meet quarterly or more frequently as required.

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

Trustees are recruited as individuals who bring relevant skills and experience to the Board. Recruitment takes place via contacts in organisations that have environmental interests and expertise or more widely when a particular type of more general management experience is sought. Induction of Trustees includes being provided with relevant information about the charity and briefings from the Chair of Trustees, the Director of the Institute and meetings with staff and other Trustees as appropriate. Trustee training is made available to those new to trusteeship and where new issues arise.

Structure, governance and management (continued)

During the year the Board has taken advice on suitable governance arrangements in respect of the operation of IEEP London and the recently formed IEEP AISBL, a not for profit entity based in Belgium. As a result the Board has identified the need for the Boards of the two organisations to have both common and independent trustees. The composition of the Board and those who serve on the AISBL Board is detailed below.

Details of the charity's wider networks are given elsewhere in the Trustees' report.

Key management and setting their remuneration

Following the transfer of staff to IEEP AISBL during the year ended 30 June 2019, the key management personnel of IEEP London are the charity's Trustees, who are not remunerated.

Relationships with Others

In the year, IEEP London had one significant associate institution with IEEP AISBL governance by a collaboration agreement.

Much of our work is sponsored by other charities, and we are extremely grateful to the following funders and clients for their support including: DG Clima, Defra, RSPB, LUPG, IFOAM, the Gulbekian Foundation, Scottish Natural Heritage, UK Centre for Hydrology & Ecology and WWF.

Fundraising

The charity does not carry out any public fundraising.

Statement of Trustees' responsibilities

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

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;

Statement of Trustees' responsibilities (continued)

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the trustees confirms that:

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

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

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

Auditor

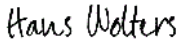
Buzzacott LLP was appointed as auditor from 4 November 2009. As auditor in office, Buzzacott LLP will automatically be deemed to be re-appointed under the provisions of the Companies Act 2006 until further notice.

Small Companies Exemption

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

Trustees' report Year to 30 June 2020

On behalf of the Board:

DocuSigned by:

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Hans Wolters

Chairman

Date: 2/25/2021

Independent auditor's report to the members of Institute for European Environmental Policy, London

Opinion

We have audited the financial statements of Institute of European Environmental Policy, London (the 'charitable company') for the year ended 30 June 2020 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 30 June 2020 and of 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.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

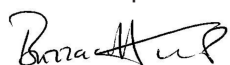
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



4 March 2021

Edward Finch (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 30 June 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Income from:					
Investments:					
. Interest received		—	—	—	694
. Income received from joint venture	16	—	—	—	46,418
Charitable activities:					
. Grants and donations	1	—	11,390	11,390	123,560
. Research projects		176,426	—	176,426	1,203,661
Other income		13,205	—	13,205	19,746
Total		189,631	11,390	201,021	1,394,079
Expenditure on:					
Charitable activities					
. Research projects	2	233,556	11,390	244,946	1,403,678
Total	2	233,556	11,390	244,946	1,403,678
Net expenditure before other recognised gains and losses		(43,925)	—	(43,925)	(9,599)
Other recognised gains and losses					
Net gains on foreign exchange		8,362	—	8,362	16,109
Net (expenditure) income and net movement in funds for the year	3	(35,563)	—	(35,563)	6,510
Partial transfer of undertakings		—	—	—	(684,000)
Reconciliation of funds					
Total fund balances brought forward at 1 September 2019	12, 13	522,210	—	522,210	1,199,700
Total fund balances carried forward at 31 August 2020	12, 13	486,647	—	486,647	522,210

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 25 to 32 form part of these financial statements.


Details of comparative information split between funds is given on page 32.

Balance sheet 30 June 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	7		7,538		20,980
Current assets					
Debtors	8	755,814		1,310,869	
Cash at bank and in hand	9	421,282		273,928	
		1,177,096		1,584,797	
Liabilities					
Creditors: amounts falling due within one year	10	(697,987)		(1,083,567)	
Net current assets			479,109		501,230
Total net assets			486,647		522,210
Funds of the charity					
Unrestricted funds	12		486,647		522,210
Restricted funds	13		—		—
Total funds			486,647		522,210

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

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

DocuSigned by:

 87D74A000F904CB...

Trustee with special Financial Responsibility

Date: 2/25/2021

Institute for European Environmental Policy, London
 Company Limited by Guarantee
 Registration Number: 2458951 (England and Wales)

The notes on pages 25 to 32 form part of these financial statements.

Statement of cash flows Year to 30 June 2020

	Note	2020 £	2019 £
Net cash inflow from operating activities			
Net cash provided by (used in) operating activities	A	140,187	(229,081)
Cash flows from investing activities			
Interest, joint venture income and rents from investments		—	47,113
Purchase of fixed assets		(1,195)	(4,695)
Net cash (used in) provided by investing activities		(1,195)	42,418
Change in cash and cash equivalents in the year		138,992	(186,663)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents brought forward		273,928	444,482
Change in cash and cash equivalents due to exchange rate movements		8,362	16,109
Cash and cash equivalents carried forward	B	421,282	273,928

A Reconciliation of income to net cash flow from operating activities

	2020 £	2019 £
Net income for the year (as per the statement of financial activities)	(35,563)	(677,490)
Adjusted for:		
Net gains on foreign exchange	(8,362)	(16,109)
Depreciation	14,637	16,267
Net income from joint venture	—	(46,418)
Decrease in debtors	555,055	859,651
Decrease in creditors	(385,580)	(325,934)
Decrease in provisions	—	(38,354)
Interest received	—	(694)
Net cash provided by (used in) operating activities	140,187	(229,081)

B Analysis of changes in net debt

	2019 £	Cash flows £	Other non- cash changes £	2020 £
Cash at bank and in hand	273,928	138,992	8,362	421,282
Total cash and cash equivalents	273,928	138,992	8,362	421,282

Basis of preparation

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

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating the depreciation charge;
- ◆ Estimating the proportion of income to be recognised in respect of ongoing projects;
- ◆ Estimating the recoverability of debtors and determining any necessary provision for bad or doubtful debts; and
- ◆ Estimating the proportion of costs to be recharged between IEEP AISBL and IEEP London (please see the expenditure section below for further details).

Assessment of going concern

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

In the light of the United Kingdom's departure from the European Union, the Charity's trustees, the majority of whom are also directors of the Belgian not-for-profit entity IEEP AISBL, are considering the future of the charity. Whilst a further grant of funds is under consideration, there are no immediate plans to wind-up IEEP London within twelve months of the date of approval of these financial statements.

Assessment of going concern (continued)

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and as such, have prepared the statutory financial statement on this basis. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 30 June 2021, the most significant issue that affects the carrying value of the assets held by the charitable company will be the availability of grants and funding from institutions.

Income recognition

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

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

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

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

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

Expenditure

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

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

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

Foreign currencies

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

Pension Scheme arrangements

During the year ended 30 June 2019, the company made contributions to personal money purchase pension schemes for each eligible employee, the assets of the schemes being held separately from the assets of the company. The pension cost charge represents contributions payable to the schemes. Where employees preferred to make contributions to their own schemes additional remuneration is paid to enable them to be treated on an equal basis. These additional payments are included in gross pay in note 3. The charity employed no staff during the year ended 30 June 2020.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised at cost. All fixed assets relate to furniture and equipment.

Depreciation is provided on a basis which will write off the cost of fixed assets over their estimated useful lives by equal annual instalments. The estimated life of the fixed assets is four years.

Stocks

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

Fund accounting

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

Accounting for joint venture

Until its disposal during the year ended 30 June 2012, the Charity's investment in Ruranet EEIG was accounted for as a joint venture and the cost method was adopted under FRS 102. The charity did not have control of the entity, as the agreement dictated that the key decisions required the consent of all partners. Ruranet's profit was recharged to the four partners equally.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Partial transfer of undertaking – year ended 30 June 2019

On 31 March 2019, the Charity transferred a significant proportion of its operations to the Belgian not-for-profit entity IEEP AISBL. This transfer included the novation of a significant number of project contracts, the transfer of all the charity's employees via a Transfer of Undertakings (TUPE) and an agreement to transfer £684,000 in instalments to cover IEEP AISBL's working capital requirements.

Income for novated grants and contracts was recognised in IEEP London to the extent that the relevant work had been performed at the transfer date.

Income pertaining to novated contracts which had not been received by IEEP London by 30 June 2019 and related to the period following the transfer on 31 March 2019 was shown as a liability due to IEEP AISBL. Income received by IEEP AISBL for project work on novated contracts relating to the period prior to 31 March 2019 was accounted for as income in IEEP London, due from IEEP AISBL.

Commitments to transfer cash to IEEP AISBL were considered to meet the definition of a liability under FRS 102 and were recognised in full during the year ended 30 June 2019.

No further transfers took place during the year ended 30 June 2020.

1 Grants and donations receivable

	Unrestricted funds £	Restricted funds £	2020 Total funds £
International Federation of Organic Agriculture Movements	—	11,390	11,390
	—	11,390	11,390

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>European Commission – various grants</i>	—	44,366	44,366
<i>MAVA Foundation</i>	—	17,745	17,745
<i>European Climate Foundation</i>	—	24,163	24,163
<i>Callouste Gulbenkian</i>	—	21,922	21,922
<i>Henrich Boll Foundation</i>	—	15,364	15,364
	—	123,560	123,560

2 Total expenditure

	2020 Total funds £	2019 Total funds £
Direct project costs (including AISBL recharge)	124,644	92,084
Staff costs	—	1,100,537
Property occupancy costs:		
. operating leases	25,948	56,336
. other	26,246	39,554
Staff planning days	—	6,534
Telephone, postage, copying and stationery	5,591	44,779
Auditor's remuneration		
. current year	8,500	8,500
. prior year	—	(1,000)
. Non-audit services	2,130	1,461
Payroll services	—	5,809
Legal and professional	1,345	(13,147)
Depreciation	14,637	16,268
IT and computer support	38,643	33,479
Irrecoverable VAT	—	1,748
Other costs (including travel reimbursements)	(2,738)	10,736
Total other costs	244,946	1,403,678

3 Net (expenditure) income

This is stated after charging:

	Total 2020 £	Total 2019 £
Staff costs (note 4)	—	1,100,537
Auditor's remuneration		
· Current year	8,500	8,500
· Prior year	—	(1,000)
· Non-audit services	2,130	1,461
Depreciation	14,637	16,268
Operating lease rentals		
· Land and buildings	25,948	56,336

4 Employee information

The average number of employees (full time equivalents) during the year was:

	Headcount		Full time equivalents	
	2020 No.	2019 No.	2020 No.	2019 No.
Director, management, research and writing	—	23	—	20
Finance and administration	—	4	—	4
	—	27	—	24

The total costs of these employees were:

	2020 £	2019 £
Wages and salaries	—	888,933
Social security costs	—	145,669
Pension	—	53,754
	—	1,088,356
Other staff costs	—	12,181
	—	1,100,537

The number of employees who received annualised emoluments of greater than £60,000 was:

	2020 No.	2019 No.
£70,001 – £80,000	—	1

Pension contributions in the year to 30 June 2020 for higher paid employees were £nil (2019: £3,340).

4 Employee information (continued)

Total remuneration (including social security and pensions costs) of the key management team comprising the Trustees, Executive Director and the Executive Management Group was £367,230. These staff were transferred under TUPE regulations as from 1 April 2019 to IEEP AISBL. The Key management personnel for the year ended 30 June 2020 consisted solely of the Trustees and was therefore £nil. Transactions with the trustees are set out in note 5, below.

5 Transactions with trustees

The Trustees received no remuneration for services rendered during the year. Properly approved expenses were incurred relating to one Trustee in respect of his duties as a trustee of the charity in the year totaling £284 (2019 – expenses relating to 7 Trustees were incurred, amounting to £3,464). These expenses covered travel, accommodation and subsistence associated with attending Board meetings and Finance Committee meetings and other meetings associated with Governance in London and Brussels. Some of these expenses were incurred directly by IEEP, others were reimbursed to the Directors.

6 Taxation

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

7 Tangible fixed assets

	Furniture & equipment £
Cost	
Brought forward at 1 July 2019	162,259
Additions	1,195
Carried forward at 30 June 2020	163,454
Depreciation	
Brought forward at 1 July 2019	141,279
Charge for the year	14,637
Carried forward at 30 June 2020	155,916
Net book value	
At 30 June 2019	20,980
At 30 June 2020	7,538

All assets are used for charitable purposes.

8 Debtors

	2020 £	2019 £
Trade debtors	688,294	1,096,870
Prepayments and accrued income	47,275	146,247
Cash advance to joint venture	895	895
IEEP AISBL debtor accounts	—	34,317
VAT debtor	4,517	17,707
Other debtors	14,833	14,833
	755,814	1,310,869

All amounts are receivable within one year.

9 Cash and bank

	2020 £	2019 £
Bank	420,778	273,424
Bank balance held on behalf of third party IEEP AISBL	504	504
	421,282	273,928

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	27,170	65,689
Intercompany balances with IEEP AISBL – partial transfer of undertakings	—	513,000
Intercompany balances with IEEP AISBL – other	650,967	337,554
Deferred income (see below)	—	26,431
Accruals	19,850	140,893
	697,987	1,083,567

All amounts are payable within one year.

Deferred income

	2020 £	2019 £
Balance brought forward:		
. Research projects	650	62,807
. Grants and donations	25,781	105,962
Released in the year	(26,431)	(168,769)
Deferred in the year:		
. Research projects	—	650
. Grants and donations	—	25,781
Balance carried forward	—	26,431

Deferred income of £26,431 for the year ended 30 June 2019 related to income received in respect of a project for which the charity is no longer involved (£25,781), and income received in advance of a project's completion (£650).

11 Financial commitments

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

Property and equipment leases:

	2020	2019
Amounts payable over the remaining life of the leases	Property £	Property £
Up to one year	41,891	47,875
One to five years	—	41,891
	41,891	89,766

12 Unrestricted funds

	Balance at 1 July 2019 £	Income & other gains £	Expenditure £	Funds transfers £	Balance at 30 June 2020 £
Unrestricted reserves	497,210	189,631	(233,556)	8,362	461,647
Designated foreign exchange fund	20,000	8,362	—	(8,362)	20,000
Designated premises fund	5,000	—	—	—	5,000
Total unrestricted funds	522,210	197,993	(233,556)	—	486,647

	Balance at 1 July 2018 £	Income & other gains £	Expenditure £	Funds transfers £	Balance at 30 June 2019 £
<i>Unrestricted reserves</i>	1,174,700	1,270,519	(1,964,118)	16,109	497,210
<i>Designated foreign exchange fund</i>	20,000	16,109	—	(16,109)	20,000
<i>Designated premises fund</i>	5,000	—	—	—	5,000
<i>Total unrestricted funds</i>	<i>1,199,700</i>	<i>1,286,628</i>	<i>(1,964,118)</i>	<i>—</i>	<i>522,210</i>

Designated foreign exchange fund

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

Designated premises fund

Obligations may arise when the office lease terminates. The London office lease is due to end in 2021 and the Brussels office lease was taken out in the name of IEEP AISBL in the prior period. The designated sum is for future obligations which may arise on concluding its current office lease in London (dilapidations, etc).

13 Restricted funds

The restricted funds all relate to projects carried out as part of the core work. No amounts remained unspent at 30 June 2020 (2019: £nil).

14 Legal status

Institute for European Environmental Policy, London is a company limited by guarantee, and not having a share capital, governed by its Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the company, if it is wound up, a sum not exceeding £1. At the 30 June 2020 company had 4 members (2019 – 9). The company is a registered charity number 802956.

15 Accounting for retirement benefits

Prior to the transfer of its employees under a TUPE arrangement to IEEP AISBL on 31 March 2019, the charity made contributions to individual money purchase schemes on behalf of its staff.

Contributions during the year to these schemes were £nil (2019 – £53,754).

16 Investments in joint ventures

Alliance Environment GEIE

During 2006 the Institute established a joint venture, Alliance Environnement GEIE, a company incorporated in Belgium. The cost of this to the Institute was £3,400 which consisted only of the acquisition of 50% of the ordinary share capital of the joint venture. The joint venture was incorporated to act as a collection agent for its shareholders. The costs of establishing the venture have been treated as expenditure in 2006 as there is no expectation of recovering the initial outlay. The Institute's share of the profit for the year is £886 (2019 – profit of £429) and, due to the fact that it is immaterial, it has not been consolidated into these Financial Statements.

Ruranet EEIG

Investment in joint venture

The charity had 25% of the voting rights in Ruranet EEIG. The other 75% of voting rights being held in equal shares by three other members. No member has control of the company and on this basis it has been accounted for as a joint venture in the past.

Ruranet EEIG is a company registered in Belgium, number 0547.717.824. The company was incorporated on 24 February 2014 and its stated business is the operation of the Rural Development Contact Point under a contract with the European Commission.

16 Investments in joint ventures (continued)

However an EEIG can only have members that are members of the European Union and can only change members at its year end 30 June. In the expectation that the UK would leave the European Union during the period the Board of IEEP London decided that it was necessary to resign as a member as of 30 June 2018. The board of Ruranet decided to appoint IEEP AISBL to be a member instead. Consequently the results of IEEP London no longer reflect the results of Ruranet as a joint venture and no income was received from Ruranet in 2020 (2019 – £46,418).

17 Related party transactions

On 31 March 2019, the Charity transferred a significant proportion of its operations to the Belgian not-for-profit entity IEEP AISBL. The majority of the trustees of the charity are also trustees of IEEP AISBL.

As part of this exercise, the charity committed to transfer £nil to IEEP AISBL (2019 – £684,000). This amount had been fully settled by 30 June 2020.

Following the transfer of the charity's staff to IEEP AISBL, the charities adopted a cross charging arrangement designed to fairly allocate the costs for the provision of office space, IT facilities and administrative services between the two organisations. The result of this was an accrual for a charge from IEEP AISBL to IEEP London of £124,644 (2019 – £177,630).

During the year, project income belonging to IEEP AISBL was collected by IEEP London, and costs incurred by IEEP London were paid via IEEP AISBL; the aggregate of these transactions was £217,863 payable by IEEP London to IEEP AISBL.

At the year end, the net balance owed by IEEP London to IEEP AISBL was £114,621 (2019 – £287,583) comprising creditor balances of £650,967 (2019 – £850,554) less debtor balances of £536,346 (2019 – £562,971). Debtor balances relate to income belonging to IEEP London collected by IEEP AISBL in the year ended 30 June 2019; creditor balance relate to the cross-charge and invoices paid by IEEP AISBL on behalf of IEEP London, as described above.

The charity's transactions with its joint ventures, Alliance Environment GEIE and Ruranet EEIG are disclosed in note 16 to these financial statements.

18 Comparative statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £
Income from:				
Investments:				
. Interest received		694	—	694
. Income received from joint venture	16	46,418	—	46,418
Charitable activities:				
. Grants and donations	1	—	123,560	123,560
. Research projects		1,203,661	—	1,203,661
Other income		19,746	—	19,746
Total		<u>1,270,519</u>	<u>123,560</u>	<u>1,394,079</u>
Expenditure on:				
Charitable activities				
. Research projects	2	1,280,118	123,560	1,403,678
Total	2	<u>1,280,118</u>	<u>123,560</u>	<u>1,403,678</u>
Net expenditure		(9,599)	—	(9,599)
Other recognised gains and losses				
Net gains on foreign exchange		16,109	—	16,109
Net income and net movement in funds for the year	3	6,510	—	6,510
Partial transfer of undertakings		(684,000)	—	(684,000)
Reconciliation of funds				
Total fund balances brought forward at 1 September 2018	12,13	1,199,700	—	1,199,700
Total fund balances carried forward at 31 August 2019	12,13	<u>522,210</u>	<u>—</u>	<u>522,210</u>