

**Institute for European Environmental Policy, London**  
also Trading As:



**Institute** for  
**European**  
**Environmental**  
**Policy**

**(COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL)**

**Company No. 2458951**

**Charity No. 802956**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30th JUNE 2017**



## **Institute for European Environmental Policy, London Trustees' Report for the 12 Months ended 30 June 2017**

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 12 month period ended 30<sup>th</sup> June 2017, 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), effective from accounting periods commencing 1 January 2015 or later.

### **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.

### **Aims and Activities**

Policies developed at the EU level have widespread influence on decision-making and outcomes on the ground throughout Europe. However, they are often formulated in terms which are bureaucratic and opaque to the non-specialist and this can be a major barrier to understanding and to participation in the policy making process. There is an enduring role for independent and well-informed organisations to explain and interpret the policy-making process and policy measures themselves to improve their transparency and accessibility to the non-specialist citizen and voluntary organisations. This is an important strand in the Institute's work. It is pursued through the preparation of policy papers, briefings, newsletters, a general and more specialist public websites, presentations to conferences and university students, published reports and other means. We seek to broaden the understanding of European and related policies affecting the environment and improve access to decisions, which set standards and goals at a European and sometimes at a global level.

A second major strand of our work is the analysis of the issues confronting the environment and the most appropriate means of addressing them. This includes policy development, design and implementation. We cover not only 'traditional' environmental policies, such as pollution control, climate change, waste management, the regulation of chemicals and nature conservation, but also many of the sectors with the greatest environmental impacts, such as transport, agriculture, fisheries and regional policy. Our objective is to contribute to the deployment of effective policies, in particular at the European and national levels.

Many of the most important environmental issues, such as climate change, nature conservation and excessive natural resource use, cannot effectively be tackled by national policy alone. An emerging strand of our work on the UK Referendum in 2016 was the identification of the ways in which cooperative decision-making on environmental issues through the EU had enabled Member States to deliver the sort of environmental progress their citizens say that they want to see, without short-term competitive pressures preventing optimum solutions. A more concerted European effort is therefore required, generally involving the formulation and practical application of well-designed and appropriate measures addressing the variety of conditions across Europe's geography. Work by the Institute considers inter alia:

- Which are the most important and pressing concerns for the environment;
- The evidence base available on which to consider and construct policy options;
- How effective existing measures have been in addressing the issues they were designed to tackle – taking account of the highly variable conditions to be found within Europe;
- Improvements in policy that are necessary or desirable; and
- Where policy needs to develop in the future.

By engaging actively with decision makers and the wider policy and stakeholder community, we aim to present information, analysis and arguments that will lead to better policy and a more sustainable Europe, increasingly attuned to environmental concerns. The right policy commitments in Europe are essential, not only to meet challenges in this continent, but also those arising in the quest for a more sustainable planet.

## **Review of the Period**

### **Objectives and priorities for 2016/2017**

The principal aims of the Institute, to contribute to improved understanding, stronger analysis and better policy decisions relating to the environment in Europe, remain highly relevant. For 2016/2017 we identified a number of European policy challenges and debates that were likely to be of particular environmental significance. Priorities for our work were chosen on this basis.

The goals that we set for 2016/2017 were:

- To contribute to the development of an appropriate set of new EU policies addressing the climate and energy goals of the EU for the period post 2030, within the context of

a just transition and interdependence with other Sustainable Development Goals (SDGs) and planetary boundaries.

- To deepen the understanding of the health, jobs and related ecosystem service benefits of nature conservation, including protected areas in Europe and assess the policy implications and options.
- To analyse and increase understanding of the role of “economic instruments” in environmental policy and to promote best practice.
- To contribute to the evolution of measures that result in genuinely “better” regulation in Europe whilst maintaining environmental objectives.
- To contribute to a robust analysis of the implementation and environmental consequences of the 2013 CAP reform and play an active role in developing future policy options.
- To identify and assess the options to achieve the EU’s 2020 and 2050 biodiversity targets, particularly in relation to funding and achieving no net loss.
- To contribute to the development of suitable policies to meet the goals of the circular economy in Europe, including those relating to biological materials and the bio-economy and the quality and integrity of soils in Europe.
- To contribute to key debates on cross-cutting issues (implementing the Sustainable Development Goals implementation, Multiannual Financial Framework)
- To expand our international work (relevant processes and fora, EU relations with key regions on environmental issues), and develop a higher profile on trade-related aspects of environmental policy
- To examine and explain the environmental implications of the post-Brexit debates, engaging constructively in the debate, making the relevant evidence available and providing a perspective on the wider European impacts.

### **Achievements and performance in 2016/17**

IEEP was ranked as the Best European Environmental and Energy Think Tank of the year by Prospect Magazine in December 2016, which judged our work to be “remarkable for its diversity and insightfulness shining a light on various key environmental issues, including the protection of the seas and the future of agricultural policy.”

Thanks to the excellent work of our members of 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 capacity of decision-makers and influencers regarding key legislative and evaluation processes.

We reached a new milestone in our history, with the creation of a new stand-alone, not-for-profit legal entity in Belgium, IEEP AISBL (Association Internationale Sans But Lucratif), which is headquartered in Brussels.

Our financial health continued to improve with a growth of our net income from £134,297 to £223,091 (66%), the generation of the surplus, allowing us to build our reserves.

During this financial year, we worked on 97 research projects for a total value of: £3,062,000 on a large range of topical environmental issues, working with a diverse set of clients, including the European Commission, the European Parliament, the Dutch government, civil society, local authorities, the private sector and foundations (such as MAVA and ECF). We started new partnerships with leading organisations in our field, such as IDDRI and the Ellen MacArthur Foundation. Finally, we made new progress in terms of fulfilling our educational mandate, by contributing to massive open online courses (MOOCs) and leading major capacity building projects, such as on Environmental Tax reform. Our work went well beyond Europe's borders, with projects in Mexico, Pacific Islands and Europe's outermost Regions, as well as through our engagement with International Governmental Organisations such as the OECD, UNEP or the G20.

Our presence on social media increased beyond our expectations. Since August 2016, our Twitter followers grew by 24% to 4,700 followers and our LinkedIn followers by 43% to 1,830 followers. We raised awareness of the European public by getting into mainstream media: IEEP's briefing for Friends of the Earth on Nature for Health and Equity, which synthesised key points from our 2016 study on the Health and Social Benefits of Biodiversity and Nature Protection for the European Commission D G Environment, received major press and social media coverage in March 2017. The briefing was first featured in the Guardian where it was shared over 53,000 times and was also covered by the BBC, De Morgen (with full page infographic), and Men's Health. Our work was also shared on social media by the World Economic Forum.

The detailed work on our goals is set out below:

## I. A year in review: Key Achievements

**GOAL 1: To contribute to the development of an appropriate set of new EU policies addressing the climate and energy goals of the EU for the period post 2020, within the context of a just transition and interdependence with other SDGs and planetary boundaries.**

- Our report for the **European Parliament on the Consequences of climate change for EU agriculture** following COP21 was presented to COMAGRI, including the shadow ESR rapporteur, EC officials and other committee members. COMAGRI noted that the report provides a useful resource, setting out clearly the various developments in this area – indicating the potential role agriculture can play via the CAP and the proposals on the Effort Sharing Regulation (ESR) and land use, land use change and forestry (LULUCF) sectors.
- The successful completion of our project on **local economic impacts of renewable energy expenditure** provided stakeholders with additional evidence in support of decarbonisation policies.
- A number of the proposed sustainability criteria for biofuel production, developed by IEEP under the Biofrontiers project for the European Climate Foundation (ECF), were taken up in the EP's ENVI Rapporteur's report on the recast of the Renewable Energy Directive. These amendments focused on the importance of protecting soil carbon as a result of actions stimulated under the RED.
- Analysis of LULUCF actions in EU Member States, shedding light on the contribution of land use and forestry sectors to the EU climate change mitigation targets through the lens of current and future actions at Member State level. The final conclusions are likely to make a strong link between the actions and the CAP.
- Our report on **climate mainstreaming** in the EU Cohesion Policy Funds has been well received by the EP and a wider audience.
- Ongoing work includes further projects for DG CLIMA on mainstreaming of climate action into the 2014-2020 period budget; and evaluation of the European climate adaptation strategy.

### Main outputs

- *The Consequences of Climate Change for EU Agriculture: Follow-up to COP21 – UN Paris Climate Change Conference*
- *Revitalisation of local economy by development of renewable energy: good practices and case studies* (REVLOCAL) research project for the IEA-RETD (Renewable Energy Technology Deployment)
- *Agriculture GHG Emissions: Determining the Potential Contribution to the Effort Sharing Regulation* for T&E
- Organising a side event at climate change COP22 in Marrakech to discuss EU action, with Commissioner Arias Cañete
- *Cohesion Policy and Paris Agreement Targets* for EP's REGI Committee
- Workshops for the Evaluation of the EU's Adaptation Strategy (final results to be published in early 2018; notes from the 1<sup>st</sup> workshop are available [here](#))
- Analysis of LULUCF actions in EU Member States for DG CLIMA
- *ELEEP programme*: Podcasts on adaptation in the EU and the US
- TV interviews on US withdrawal

**GOAL 2: To deepen the understanding of the health, jobs and related ecosystem service benefits of nature conservation, including protected areas in Europe and to assess the policy implications and options.**

- Our study on the **health and social benefits of nature** has been disseminated widely by DG ENV, via their Natura 2000 newsletter, through extensive email to DG ENV's contacts and through presentations and press coverage at Green Week 2016. The report was well received at academic level (Ecosystem Service Partnership conference), by the health sectors stakeholders (EuroHealthNet AGM and European OneHealth/Ecohealth workshop), by Member States (Germany's BfN workshop) and by other European institutions (EU's Joint Research Centre (JRC)). Our work was also referred to in a recent WHO report on health and green space and we have written several book chapters.
- Our research on **Natura 2000 and jobs**, and ten years' worth of work on the multiple benefits of Natura 2000 fed into the political reflections on the future of the Nature directives, and contributed to the successful conclusions of the nature directives' Fitness Check. It was also featured prominently during Green Week 2017.
- IEEP's briefing for Friends of the Earth on **Nature for Health and Equity**, which synthesised key points from our 2016 study on the Health and Social Benefits of Biodiversity and Nature Protection for DG ENV, received major press and social media coverage in March 2017.
- Our work on how Nature can support Member States' socio-economic priorities is feeding into the European Semester and the Implementation Review via a series of workshops and contribution at the Greening the European Semester event attended by most Member States
- Our research on **natural capital accounting (NCA)** and policy utility (under EU's RTD OPERAs project) informed all the key actors in the main EU initiative in this area (KIP-INCA) that involves DG ENV, ESTAT, JRC, EEA and Member States. It has also featured in a French Ministry of Ecology publication.

#### **Main outputs**

- *The Health and Social benefits of Nature and Biodiversity Protection* for DG ENV
- *Natura 2000 and Jobs: Scoping Study* for DG ENV
- Briefing on *Nature for Health and Equity* for Friends of the Earth Europe (FoEE)
- Presentation on green jobs at Green Week 2017

**GOAL 3: To analyse and increase understanding of the role of "economic instruments" in environmental policy and to promote best practice.**

- We have undertaken a major study for the Commission and European Parliament on **environmental tax reform**, contributing to build civil society capacity for fiscal reform across the EU.



- Our work on **environmental fiscal reform** is also gaining traction in other arenas – in the academic world (the global tax conference in the Netherlands), among Member States (including Estonian EU presidency), as well as globally (Pacific islands).
- The report prepared with CEPS on "**Financial instruments: defining the rationale to trigger their use**" for the EP (Budget committee) reaffirmed IEEP's position as an expert on the use of financial instruments to leverage investment from EU budget.
- A toolkit to identify and reform incentives harmful to biodiversity – developed within the EU's DGRTD's OPERAs project. It is also available widely on the OPPLA portal.
- We presented on market based instruments also within the context of a Massive Open Online Course (MOOC) linked to Marine litter, reaching over 7000 in the first year; it was repeated in 2017.

#### **Main outputs**

- An international conference, series of workshops and case studies across Europe on environmental tax reform and economic instruments to address pollution and resource use
- Presentation on Greener Taxes and Subsidies in Pacific Island Countries and Territories and Beyond to the IUCN conference in Hawaii for the Secretariat of the Pacific Community
- Financial instruments: defining the rationale to trigger their use, for the EP's Budget committee
- Beyond GDP newsletters: Measuring progress, true wealth, and well-being
- Book chapter on Exploring the policy mix for biodiversity financing: Opportunities provided by environmental fiscal instruments in the EU in Critical Issues in Environmental Taxation series (2017) in The Green Market Transition: Carbon Taxes, Energy Subsidies and Smart Instrument Mixes.
- Toolkit to identify and reform incentives harmful to biodiversity on the OPPLA portal.

**GOAL 4: To contribute to the evolution of measures that result in genuinely “better” regulation in Europe as well as a more effective implementation of norms, whilst maintaining environmental objectives.**

- On better regulation, the **Make it Work** project is feeding strongly into the debate among the environmental ministries of the participating member states on compliance assurance, innovation and environmental reporting.
- One area of successful impact has been our contribution to the Commission project on **environmental monitoring and reporting**, where IEEP’s development of an inventory has given DG ENV and others a simple statistical overview of the nature of reporting obligations, their frequency, etc.
- A project for the EP’s Committee of inquiry into the car emissions scandal, comparing EU and US legislation on emissions limits and defeat devices, which pointed the limitations of a system based on competing and uncoordinated national type approval authorities, was well received by EMIS.
- Several projects supporting the review and evaluation of EU environmental law, including nature legislation, the EU environmental legislation Evaluation of the European Pollutant Transfer and Release Regulation.
- Our work on Initiating a public dialogue on environment protection in the context of the Transatlantic Trade and Investment Partnership (TTIP) negotiations, including a series of workshops held in national capitals and national languages, helped raise awareness of a range of environmental risks and opportunities stemming from an increased commercial cooperation with the US under TTIP, including through the regulatory cooperation and investment protection tools.

**Main outputs**

- Make it Work initiative on environmental reporting
- Comparative study on Differences Between the EU and US Legislation on Emissions in the Automotive Sector for the EP’s EMIS Committee
- ICF-led study on monitoring and reporting requirements under the EU environmental legislation
- Evaluation of the European Pollutant Transfer and Release Regulation
- A study for the European Commission on Initiating a public dialogue on environment protection in the context of the Transatlantic Trade and Investment Partnership (TTIP) negotiations

**GOAL 5: To contribute to a robust analysis of the implementation and environmental consequences of the 2013 CAP reform and play an active role in developing future policy options.**

- **Our study for DG AGRI** on the first year’s implementation of the CAP in relation to its three core objectives was well received, providing a firm foundation for subsequent more detailed evaluations.
- Under the auspices of the RISE Foundation, IEEP associates contributed to ‘**CAP: Thinking Out of the Box – Further modernisation of the CAP – why, what and how?**’

which was launched at a pre-event to the Annual Forum for the Future of Agriculture on 26 March 2017. The ideas in this report have been promulgated at a number of high profile events since, including an NGO organised event 'Who will Fix the Broken CAP' in May 2017.

- Our report for the **Eating Better** consortium of NGOs "Towards sustainability: Future policies for European livestock" highlighted the need for these policies to reflect wider social objectives and develop more coherent approaches to environmental objectives. This was well picked up in the specialist media and sparked much debate when presented at the Oxford 'Real' Farming Conference.
- We continue to inform debates about developing **results based payments** for achieving environmental outcomes on agricultural land, speaking at a range of events and conferences and providing expert advice to pilot projects ongoing in a number of Member States.
- We coordinate the Horizon 2020 project PEGASUS, which is investigating innovative ways of stimulating the more effective provision of environmental and social goods and services from EU farmland and forests.
- IEEP contributed to terms of the debate on rural development through its participation in the **Cork rural development conference** and through our engagement in the European Network for Rural Development's Contact Point, this year focussing on the role of Rural Development Programme's in supporting the sustainable management of soils and water.
- We also provided training for a range of stakeholders on the way in which the CAP can be used to support environment and climate beneficial activities.

#### **Main outputs**

- Report for the Eating Better consortium of NGOs: *Towards an integrated approach to livestock farming, sustainable diets and the environment: challenges for the Common Agricultural Policy and the UK*
- Co-organising a number of events on the sustainable management of soils and water as part of a Thematic Group for the European Network for Rural Development
- Presentations on new thinking for the CAP post 2020 at various events

**GOAL 6: To identify and assess the options to achieve the EU's 2020 and 2050 biodiversity targets, particularly in relation to funding and achieving no net loss.**

- The Commission's conclusions on the **Fitness Check of the Nature Directives** were informed by the results of the supporting evaluation study carried out by Milieu, IEEP and ICF. A key finding was that implementation has been constrained by inadequate funding. To help address this we have assisted the Commission in developing a more robust methodology for calculating the costs of maintaining and managing the Natura 2000 network.
- We also carried out an in-depth study of the current integrated funding model for biodiversity. This considered various options for increasing financing, including the creation of a new, dedicated fund for conservation, comparing their ecological- and cost-effectiveness, institutional and legal fit, and legitimacy and impacts on stakeholders.
- As part of a DG Environment contract supporting Target 2 of the EU Biodiversity Strategy (ie the restoration of degraded ecosystem) we summarised Member State activities that are contributing to the maintenance and enhancement of green infrastructure, to inform the Commission's mid-term review of the EU Green Infrastructure Strategy.
- **IEEP's study for the EEB and BirdLife**, looking at how the CAP's new Ecological Focus Area (EFA) measure was being implemented in the EU, helped to inform the debate about whether or not pesticides should be banned on these areas (via the new delegated regulation). We provided evidence that biodiversity benefits on many EFA types will be low, especially on grain legumes, which are normally treated with insecticides and fungicides, in contrast to those with forage legumes and fallow that are not affected by pesticides.

**Main outputs**

- DG ENV Support follow-up actions to the mid-term review of the EU biodiversity strategy to 2020 in relation to target 3A – Agriculture
- *Biodiversity financing framework assessment for DG ENV*
- A study for the EP's ENVI Committee on *Wildlife Crime and the EU*
- A paper on *Ecological Focus Area Choices and Their Potential Impacts on Biodiversity*

**GOAL 7: To contribute to the development of suitable policies to meet the goals of the circular economy in Europe, including those relating to biological materials, the bioeconomy as well as the quality and integrity of soils in Europe.**

- IEEP's work on circular economy as co-chair of the circular economy working group, had high visibility at the Think Tank 20 summit in Berlin. Some of our recommendations were taken up by the G20, as part the **G20's resource efficiency dialogue and marine litter action plan**.
- Our work on plastics, the circular economy and marine litter is contributing to a deepening and broadening understanding and stakeholder support for ensuring the marine litter issues become an integrated part of the forthcoming **European Commission's plastics strategy**.
- Our work on the **sustainability of biofuels and biomass sustainability criteria** contributed to EC's impact assessment and resulting policy proposals for the RED2.
- Our work on **soil protection** policies received a great deal of interest and profile at the conference held by the European Commission on world soil day as well as during Global soil week.

#### **Main outputs**

- Fiches on Tackling marine litter with the circular economy and the EU Plastics Strategy for MAVA Foundation
- Workshop on EU action to combat marine litter in the EP
- Ensuring the sustainability of bioenergy, including through work for one of the UK's biggest bio-energy users - DRAX
- Contributing to the Biofrontiers Platform through research and policy advice
- Report for the EC to assess how increasing bioenergy demand would affect forests, the forestry industry, and other sectors that rely on biomass ([here](#))
- Report setting out how Member States address soil protection through EU and national policies: Updated Inventory and Assessment of Soil Protection Policy Instruments in EU Member States for DG ENV
- Workshop at the EP on Supporting the market for Secondary Raw Materials in a circular economy
- Contribution to the Handbook on the economics and management of Sustainable Oceans for United Nations Environment on the topic of Socio-economics of marine litter

**GOAL 8: To contribute to key debates on cross-cutting issues (SDGs implementation, MFF, future of Europe)**

- IEEP made a significant contribution to debates around **SDG implementation in Europe** by engaging with **DG-Env, EESC, linking with Environmental ministries of Member States and the Estonian presidency, supporting the coordination of European think tanks and non-state actors working on SDGs and writing a report for CEE WEB on sustainability proofing the European budget.**
- IEEP's work on the mainstreaming of environmental concerns into the EU budget has continued, with work for the European Parliament and DG CLIMA on climate mainstreaming, as mentioned above.
- Similarly IEEP's work on policy coherence and integration of biodiversity issues in EU policies and the EU budget continues, including the development of a Toolkit on Integrating Natural Capital into Policy, and a workshop on Biodiversity Proofing.

**Main outputs**

- *Cohesion Policy and Paris Agreement Targets* for EP's REGI Committee
- Report for CoR on *Key challenges and opportunities for Cities and Regions and MFF post 2020*
- *Climate mainstreaming in the EU budget: preparing for the post-2020 MFF* for DG Clima (forthcoming )
- Presentation on *SDGs and the future of Europe* to the Italian parliament

**GOAL 9: To expand our international work (relevant processes and fora, EU relations with key regions on environmental issues), and develop a higher profile on trade-related aspects of environmental policy**

- The project for DG ENV on environmental impacts of TTIP has been very valuable to the Commission, particularly in pointing to potential wider trade policy lessons.
- Supporting the Inter-American Development Bank to develop indicators for the capacity of environmental institutions to help guide its investment activities in Latin America and the Caribbean.
- Co-Authoring the Think Tank 20 report on Marine litter and contribution to the statement on global marine governance for the G20 meeting in Berlin. The recommendations of these two papers were partly adopted by the G20.
- IEEP organised, for DGRegio of the European Commission, an expert group on the green and circular economy for the EU's outermost regions (linked to Spain, Portugal and France), and wrote a background paper synthesising the issues, best practice and ways forward. This is an input to the EU's Communication on the Outermost regions.
- The above mentioned work on fiscal instruments in the Pacific Islands and the work on innovative financing mechanism for biodiversity in Mexico have added to IEEP's global presence. This in turn built on the global visibility of TEEB (The Economics of Ecosystems and Biodiversity); TEEB Water and Wetlands is being translated into its seventh language.

**Main outputs**

- A study for the European Commission on Initiating a public dialogue on environment protection in the context of the Transatlantic Trade and Investment Partnership (TTIP) negotiations and workshops on this topic
- Participation at T20 Summit
- Report on Green and Circular Economy in the Outermost Regions
- Three reports on Innovative mechanisms for financing biodiversity conservation: A comparative summary of experiences from Mexico and Europe
- Participation in a debate with Germany's G20 sherpa and Head of UNFCCC on global governance (DIE, Bonn)
- Blog on T20 website on A trickle-up system of global governance
- T20 policy briefing on Circular economy measures to keep plastics and their value in the economy, avoid waste and reduce marine litter
- Research for the Secretariat of the Pacific Community on Greening taxes and subsidies in Pacific Island Countries and Territories (forthcoming)
- A chapter in the book Fighting Environmental Crime in Europe and Beyond (2006) on Illegal Shipments of E-waste from the EU to China

**GOAL 10: To examine and explain the environmental implications of the post-Brexit debates, engaging constructively in the debate, making the relevant evidence available and providing a perspective on the wider European impacts.**

- We are adding value to discussions on post **Brexit Agricultural policy** in the UK, through a report for the Land Use Policy Group of UK agencies, and by participating in a range of various working groups and events.
- We are informing relevant debates in the European parliament, for instance on managing cross-border issues between the Republic and Northern Ireland after Brexit by participating in a panel discussion
- In December, IEEP provided written evidence to the House of Lords EU Select Committee which was referenced in its final report on BREXIT and fisheries. We also gave **testimonies before other committees of the UK parliament** and contributed our analysis to the Greener UK campaign.
- Thanks to our collaboration with Client Earth and E3G, a **coordination** group of think tanks and NGOs was established in Brussels, sharing intelligence, building capacity (e.g. recent webinar on trade and Brexit) and co-strategizing regarding the implications of Brexit for EU-27 and EU environmental policy. We also contributed to the debate by writing a paper for the European Environmental Law International Seminar (ELNI) on the **implications of Brexit for European environmental policy**.
- We have been working with UK NGOs to develop thinking on post-Brexit governance arrangements, drawing attention to the risks of failing to replicate the Commission's current role as a guardian and enforcer of environmental commitments.

#### **Main outputs**

- Report on *Potential Implications of leaving the EU for UK agriculture and the rural environment* commissioned by the UK Land Use Policy Group
- Input to a study on Ensuring compliance with environmental obligations through a future UK-EU relationship for RSPB and WWF
- Periodical article on *The Implications of Brexit for Future EU Environmental Law and Policy* for ELNI

#### **Objectives, aims and plans for future periods**

The Institute plans to continue with its principal aims; to contribute to improved understanding, stronger analysis and better policy decisions relating to the environment in Europe in 2017/2018 including environmental implications in the UK post Brexit.

In addition, we have identified a number of challenges and debates that are likely to be of particular environmental significance in 2017/2018.

Our 4 key priorities for 2017-2018 are to inform debates in the following areas:

- **Better integration of the environment and sustainability into Europe's post-2020 agenda and strategy**
- **Improvement of key sectoral environmental policies including climate change, circular economy, biodiversity, use of natural resources including soils, water and agricultural policies.**
- **Align Europe's financial resources to sustainability**



- **More effective environmental governance of the European Union**

### **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 twenty seven Full Time Equivalents (FTE) including the Executive Director (2015/16 FTE: 25). 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 2016/17 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 Brussels, which are also used for conferences and a series of workshops and seminars. In addition, our work is supported by a network of partners and consultants in other European countries.

### **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.

Total gross income in the year to 30 June 2017 was £3,134,405 (year to 30 June 2016: £2,408,694). Total expenditure on activities in the period was £2,911,091 (2016: £2,327,551). The gross income and expenditure on activities were higher than in the previous period as IEEP took responsibility as the lead of more projects, supported by sub-contractors. Before taking into account losses on foreign currency exchange, the Institute made a surplus in 2016/2017 of £223,314 (2016: £81,143). The loss on exchange 2016/2017 was £223 (2016: gain on exchange £53,154). The net income saw the benefit of the strong Euro in the year, as many IEEP projects were denominated in Euros.

The share of the RURANET surplus was £44,685 (2016: £20,214) taken on a received, rather than accrued basis and is included with income under the requirements of FRS 102.

The net movement in funds for the period, after taking in losses and gains on foreign exchange was net income of £223,091 (2016: £134,297).

It was pleasing to record an increased surplus compared to the previous period. This was accounted for by the impact of cost saving measures and focus on the mix of income streams and also favourable exchange rates.

It is expected that the volatility in exchange rates will continue and the Trustees feel it is appropriate to continue to designate reserves for this eventuality. The Trustees have put mechanisms in place to try to protect IEEP from the most serious effects of this volatility. Exchange movements are regularly monitored by the Finance Committee.

At 30 June 2017, after foreign exchange losses of £223, total funds stood at £951,252 (30 June 2016: £728,161). 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 commitments are to the leases on its London and Brussels offices which run until 2021 and a break clause in 2019 respectively.

Assets were held on behalf of one group of organisations as lead partner of a Horizon 2020 project, at 30 June 2017: £26,837 (30 June 2016: £51,051). No assets were held on behalf of any other charity or Trustee at 30 June 2017 (30 June 2016: nil). There have been no significant changes in accounting policy in the period. The financial statements incorporate the relevant share of the Joint Venture, RURANET which has been included using the cost method. Notes providing further information are included elsewhere in the Financial Statements.

Due to the nature of the charity's work, it obtains the majority of its income from public sector organisations within the European Union. The Board has considered the implications of this on the Charity and a separate not-for-profit entity IEEP AISBL has been set up based in Belgium. Further information is included in the notes to the accounts.

## **Reserves policy**

The Trustees consider that it is appropriate for the Institute to hold reserves in order 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 that an unrestricted reserve level in the region of £1,000,000, excluding designated reserves and net fixed assets, would be a reasonable target appropriate to the current scale of the Institute's activities. £1,000,000 represents approximately six months cover for forecast operating costs, excluding direct project costs, based on the 2017/18 budget.

At 30 June 2017, total funds were £ 951,252 (30 June 2016: £728,161). Of this £5,000 were designated for the costs which may arise on termination of the London and Brussels leases, £20,000 (2016: £20,000) designated for exchange movements and £ 32,443 (2016: £22,813) were committed to fixed assets, leaving £893,809, broadly equivalent to 5.4 months expenditure cover based on 2017/18 budget, (2016: £680,348 and 5 months based on the budget at that time). These reserves are effectively the charity's working capital and the Trustees consider the level to be adequate at present. However, further increases in future are necessary to reach the target reserve level of six months operating costs. The Trustees and staff are committed to increasing the reserves to the target level and are actively pursuing policies to achieve this goal, in particular through close financial monitoring and management by the Finance Committee.

## **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.

As part of their review in 2017, the Trustees considered what major risks IEEP might face and steps to mitigate those risks. In respect of all of these matters, the Trustees consider that IEEP has adopted policies to minimise any such risks. Details of the major presumed risks and mitigation measures are detailed below.

<b>Risk</b>	<b>Mitigation Measures</b>
Impact on income streams of Brexit	Implementation of Board Europeanisation strategy, including bolstering presence in Belgium and other Member States
Potential loss of major funders and competition for funds	Rigorous adherence to high standards of work and objectivity and establishment of longer term contractual arrangements where possible.
Longer payment terms imposed by some funders and liquidity	Strong credit control routines; seeking to improve payment terms where possible and seeking short term funding arrangements
Potentially reduced payment or claw-back of certain funders	Well understood and implemented internal control procedures to minimise risk of penalties or clawback. Reduction of value of work performed under the most onerous contracts
Recruitment and retention of suitably qualified staff	Ensuring work remains interesting and influential and that staff are encouraged to develop their skills. Supporting staff with additional resources where needed. A well-established promotion procedure is in place for all staff.
Currency risks	Where possible, matching income and costs to currency of contract and using financial instruments to mitigate impact of major currency movements.
Loss of influence	Increasing communication of IEEP's work with the public, existing customers and partners. Continuing to engage with major policy implementers, providing them with unbiased, evidence-based studies.

## **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 meets quarterly and there is in addition a Finance Committee, which also meets quarterly. The Finance Committee of the Board has a remit to maintain an overview of the financial operations and management of the Institute. It also provides help and advice for the Director, and has a duty to ensure the Institute's compliance with the relevant Charity Accounting obligations.

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.

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

## Reference and administrative information

### Directors/Trustees

The Directors of the company are also the Trustees of the charity. Trustees who served during the year and since the year-end were:

- Domingo Jimenez Beltran
- Ralph Hallo \* Retired 12 January 2017
- Sir John Harman (Chair)
- Patricia Henton \*
- Dr Christian Hey
- Paul Meins \*
- Derek Osborn CB
- Claudia Soares Appointed 12 April 2017
- Sir Graham Wynne
- Herman Wolters\* Appointed 27 November 2016

\* Finance Committee Member. Finance Committee Chair was Paul Meins.

### Officers

Executive Director of the Institute Céline Charveriat from 2 June 2016 (initially jointly with David Baldock)

Director of the Institute David Baldock retired 15 July 2016

Secretary Claire Froomberg

### Key Management and setting their Remuneration

In addition to the Board of Directors / Trustees mentioned above, an Executive Management Group, comprising the Executive Director, the Programme Heads and the Head of Finance and Operations and Company Secretary, operates as the executive management of the Charity, with authorities delegated to them by the Board.

The Trustees are not remunerated. The salaries and terms and conditions of the Executive Management Group are set with reference to their responsibilities, comparative remuneration in similar not-for-profit organisations and affordability by the Institute for European Environmental Policy, London.

### Registration details

The Institute for European Environmental Policy, London is a Company Limited by Guarantee and not having a share capital with Company number 2458951.

It is also a registered charity with Charity number 802956.

VAT number GB 648 7001 33

### Registered Office and Principal office

11 Belgrave Road, IEEP Offices, Floor 3, London, SW1V 1RB, UK

**Bankers**

National Westminster Bank, Tavistock House, Tavistock Square, London WC1H 9XA

**Solicitors**

Bates Wells and Braithwaite LLP, 10 Queen Street Place, London, EC4R 1BE

**Auditor**

Buzzacott LLP, 130 Wood Street, London EC2V 6DL

**Relationships with Others**

In the year, IEEP London had one significant associate institution – in Berlin (Ecologic, Institute for International and European Environmental Policy).

We continued to have a joint venture – Alliance Environnement GEIE, owned jointly with a French partner, Oréade-Brèche. Alliance Environnement has been awarded a framework contract by DG Agriculture for the European Commission.

We continued with the joint venture “RURANET EEIG”, owned jointly with three other partners. RURANET provides the Rural Development Contact Point under a contract with the European Commission.

Further information relating to the joint ventures can be found in Note 18 to the financial statements.

Much of our work is sponsored by other charities, and we are particularly grateful to the following for their support of our work during 2016/17:

- European Climate Foundation
- Callouste Gulbenkian Foundation and
- MAVA foundation

Many projects were funded by the European Commission, the European Environment Agency, the Organisation for Economic Cooperation and Development, the United Nations, the UK Department for the Environment, Food and Rural Affairs, the Environment Agency, the UK statutory countryside agencies, the environment ministry in Belgium, and the Dutch Ministry of the Environment and other European ministries, NGOs and Environmental Agencies. Their continued support is highly appreciated.

## 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;
- 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.

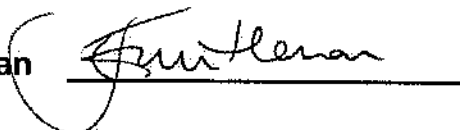


**Small Companies Exemption**

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

On behalf of the Board:

**Sir John Harman**  
Chair

A handwritten signature in black ink, appearing to read "John Harman", is written over a horizontal line. The signature is cursive and somewhat stylized.

Date: 15 March 2018



# **Independent Auditor's Report To the Members of Institute for European Environmental Policy, London**

We have audited the financial statements of the Institute for European Environmental Policy, London for the year ended 30th June 2017 which comprise the Statement of Financial Activities; the Balance Sheet; the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 which 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective Responsibilities of Trustees and Auditor**

The trustees are also the directors of the Institute for European Environmental Policy, London for the purposes of company law. As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB's) Ethical Standards for Auditors.

## **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company'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 financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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 the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

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 2017 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;



**Independent Auditor's Report  
To the Members of  
Institute for European Environmental Policy, London**

**Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements and the trustees' report has been prepared in accordance with applicable legal requirements. Also, in our opinion, in the light of the knowledge and understanding of the charitable company obtained in the course of the audit, we have identified no material misstatements in the trustees' report.

**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 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- 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 or 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.

Edward Finch, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London EC2V 6DL

Date:

**Institute for European Environmental Policy, London**  
**Statement of Financial Activities**  
**(Incorporating the Summary Income and Expenditure Accounts)**  
**For the year ended 30 June 2017**

	Note	Unrestricted Funds £	Restricted Funds £	Total Year to 30.06.2017 £	Total Year to 30.06.2016 £
<b>Income from:</b>					
<i>Investments:</i>					
Interest received		225	-	225	117
Income received from joint venture	18	44,685	-	44,685	20,214
Income from property (surplus space)		8,259	-	8,259	27,132
<i>Charitable Activities:</i>					
Grants and donations	2	2,363	204,863	207,226	294,399
Research projects		2,854,782	-	2,854,782	2,049,641
Other income		19,228	-	19,228	17,191
<b>Total Income</b>		<u>2,929,542</u>	<u>204,863</u>	<u>3,134,405</u>	<u>2,408,694</u>
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Property rental costs		8,259	-	8,259	27,132
<i>Charitable Activities:</i>					
Research Projects	3	2,697,969	204,863	2,902,832	2,300,419
<b>Total Expenditure</b>	3	<u>2,706,228</u>	<u>204,863</u>	<u>2,911,091</u>	<u>2,327,551</u>
<b>Net Income / (Expenditure)</b>		223,314	-	223,314	81,143
<b>Other recognised gains and losses</b>					
Net (losses) /gains on foreign exchange	3	(223)	-	(223)	53,154
<b>Net Income/ (Expenditure) and net movement in funds for the year</b>		223,091	-	223,091	134,297
<b>Reconciliation of funds:</b>					
Total Funds Brought Forward at 01.07.2016	13,14	<u>728,161</u>	<u>-</u>	<u>728,161</u>	<u>593,864</u>
Total Funds Carried Forward at 30.06.2017	13,14	<u>951,252</u>	<u>-</u>	<u>951,252</u>	<u>728,161</u>

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 29 to 40 form part of these Financial Statements.

Details of comparative information split between funds is given on page 40

# Institute for European Environmental Policy, London

## Balance Sheet as at 30 June 2017

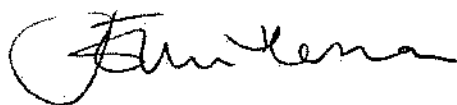
	Note	As at 30.06.2017 £	As at 30.06.2017 £	As at 30.06.2016 £	As at 30.06.2016 £
<b>Tangible Fixed Assets</b>	7		32,443		22,813
<b>Current Assets</b>					
Debtors	8	1,804,537		1,080,806	
Cash at bank	9	<u>619,048</u>		<u>585,858</u>	
<b>Total current assets</b>		2,423,585		1,666,664	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	10	<u>(1,466,770)</u>		<u>(925,169)</u>	
<b>Net Current Assets</b>			<u>956,815</u>		<u>741,495</u>
<b>Provision for liabilities and charges</b>					
Provisions for amounts that may result in present obligations as a result of past events	11		(38,006)		(36,147)
<b>Total net assets</b>			<u>918,809</u>		<u>705,348</u>
<b>The funds of the charity:</b>					
Unrestricted Funds	13		951,252		728,161
Restricted Funds	14		-		-
<b>Total charity funds</b>			<u>951,252</u>		<u>728,161</u>

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

on 15 March 2018 and signed on its behalf by:

Sir John Harman  
Chair



The notes on pages 29 to 40 form part of these Financial Statements.

Institute for European Environmental Policy, London  
Company registration number : 2458951 (England and Wales)

## Institute for European Environmental Policy, London

### Statement of Cash Flows for the year ended 30 June 2017

Statement of cash flows	12 months to 30.06.2017	12 months to 30.06.2016
Net cash provided by (used in) operating activities <span style="float: right;">A</span>	14,037	43,995
Cash flows from investing activities:		
Interest, joint venture income and rents from investments	53,169	47,463
Purchase of fixed assets	<u>(33,793)</u>	<u>(7,937)</u>
Net cash provided by (used in) investing activities	19,376	39,526
Change in cash and cash equivalents	<u>33,413</u>	<u>83,521</u>
Cash and cash equivalents brought forward	585,858	449,183
Change in cash and cash equivalents due to exchange rate movements	(223)	53,154
Cash and cash equivalents carried forward note 9	<u>619,048</u>	<u>585,858</u>
	<b>12 months to</b>	<b>12 months to</b>
<b>A</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
Net movement in funds	223,091	134,297
Net (gains) losses on foreign exchange	223	(53,154)
Depreciation	24,163	24,540
Net income from joint venture	(44,685)	(20,214)
(Increase) decrease in debtors	(723,731)	(302,986)
Increase (decrease) in creditors	541,601	283,369
Increase (decrease) in provisions	1,859	5,392
Loss on disposal of fixed assets	-	-
Interest received	(225)	(117)
Income from property	<u>(8,259)</u>	<u>(27,132)</u>
	<u>14,037</u>	<u>43,995</u>

The notes on pages 29 to 40 form part of these Financial Statements.



# Institute for European Environmental Policy, London

## Notes to the Financial Statements

### For the year ended 30 June 2017

#### 1 Accounting Policies

##### Basis of Accounting

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 Financial Statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014 and Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 recoverability of debtors and determining any necessary provision for bad or doubtful debts;
- ◆ Estimating the liability for recovery of income by funders, as detailed in note 11; and
- ◆ Determining the basis for the allocation of support and governance costs across the charitable key areas of activity.

##### 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 to a period of one year from the date of approval of these Financial Statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 30 June 2018, the most significant issues that affect the carrying value of the assets held by the charitable company are the availability of grants and funding from institutions, especially given the referendum decision in the United Kingdom regarding membership of the European Union.

##### Recognition of income and expenditure under FRS 102

Under Section 7 of SORP 2015 Recognition of expenditure, charities must recognise a liability for the cost of all benefits to which employees are entitled at the reporting date that have yet to be paid. This includes annual leave earned but not taken at each reporting date. Employee benefits include all costs incurred by the charity in exchange for the services of its employees.

The charity has adopted the cost method of accounting for its joint ventures under FRS 102.

# Institute for European Environmental Policy, London

## Notes to the Financial Statements

### For the year ended 30 June 2017

#### Income Classification

##### 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.

Income from property is recognised when it is earned by the charity under short term leasing arrangements.

##### Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned on the basis described in Note 3.

Indirect costs are those costs incurred in support of the charitable objectives.

All support costs, including governance costs, have been allocated to charitable activities, because any apportionment between expenditure headings would be immaterial.

##### 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

The company makes 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 prefer 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 4.

##### Tangible fixed assets

Tangible fixed assets costing more than £500 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.

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

**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.

**Provisions**

Provisions are recognised when the charitable company has a legal or constructive present obligation as a result of a past event, it is likely that a transfer of economic benefits will be required to settle the obligation, and the value of the obligation can be reliably estimated.

**Accounting for Joint Venture**

The Charity's investment in Ruranet EEIG has been accounted for as a joint venture and the cost method has been adopted under FRS 102. The charity does not have control of the entity, as the agreement dictates that the key decisions require the consent of all partners. Ruranet's profit is 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.

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

**2 Grants and Donations Receivable**

	Donations Unrestricted £	Grants Restricted £	Year to 30.06.2017 £	Year to 30.06.2016 £
European Commission various Grants	-	169,989	169,989	245,573
MAVA foundation	-	14,954	14,954	-
European Climate Foundation	-	10,782	10,782	10,096
Callouste Gulbenkian	-	9,138	9,138	7,480
Others	2,363	-	2,363	31,250
	<u>2,363</u>	<u>204,863</u>	<u>207,226</u>	<u>294,399</u>

**3 Total Expenditure**

	Direct Project Costs £	Staff Costs £	Other Costs £	Year to 30.06.2017 Total £	Year to 30.06.2016 Total £
Costs of raising funds: in respect of property income			8,259	8,259	27,132
Costs of charitable activities in furtherance of the objects:					
Grants	29,547	139,547	35,769	204,863	263,149
Projects	1,193,093	1,152,256	249,271	2,594,620	1,961,339
Support costs	-	52,145	51,204	103,349	75,931
<i>Sub. Total expenditure on charitable activities</i>	<i>1,222,640</i>	<i>1,343,948</i>	<i>336,244</i>	<i>2,902,832</i>	<i>2,300,419</i>
	<u>1,222,640</u>	<u>1,343,948</u>	<u>344,503</u>	<u>2,911,091</u>	<u>2,327,551</u>

(note 4)

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

**3 Total Expenditure (continued).**

Other Costs include	Costs of raising funds	Projects	Support	Year to 30.06.2017 Total	Year to 30.06.2016 Total
	£	£	£	£	£
Property occupancy costs:					
- operating leases	5,781	50,829	2,285	58,895	78,231
- other	2,478	81,077	4,880	88,435	54,474
Staff planning days	-	4,404	-	4,404	-
Telephone, postage, copying and stationery:					
- operating leases	-	-	-	-	-
- other	-	45,590	-	45,590	41,439
Auditors remuneration:					
- current year	-	-	9,500	9,500	9,000
- in respect of prior year	-	-	(175)	(175)	2,650
- accountancy and other assurance services	-	-	-	-	-
Payroll services	-	3,436	-	3,436	1,502
Legal and professional	-	1,106	25,299	26,405	-
Depreciation	-	23,225	938	24,163	24,539
Loss on disposal of fixed assets	-	-	-	-	-
IT and computer support	-	27,897	1,126	29,023	27,564
Irrecoverable VAT	-	4,865	-	4,865	257
Other costs	-	42,611	7,351	49,962	31,302
<b>Total other costs</b>	<b><u>8,259</u></b>	<b><u>285,040</u></b>	<b><u>51,204</u></b>	<b><u>344,503</u></b>	<b><u>270,958</u></b>

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

**3 Total Expenditure (continued)**

Basis of allocation of staff and other expenditure

<u>Costs of raising funds: expenditure and basis of allocation</u>		Year to 30.06.2017 Total £	Year to 30.06.2016 Total £
Nature of expenditure	Allocation basis		
Staff salaries and pensions	Estimate of staff time	-	-
Property occupancy costs	Actual and estimated use	8,259	27,434
Services and other operating expenses	Actual and estimated use	-	(302)
<b>Total</b>		<b>8,259</b>	<b>27,132</b>

<u>Grant and Project expenditure and basis of allocation</u>		Year to 30.06.2017 Total £	Year to 30.06.2016 Total £
Nature of expenditure	Allocation basis		
Staff salaries and pensions	Estimate of staff time	1,291,803	1,109,868
Property occupancy costs	Pro rata to staff cost allocation	131,906	98,964
Services and other operating expenses	Actual and estimated use	125,367	93,691
Professional fees	Actual and estimated use	4,542	1,502
Depreciation and loss on disposal	Pro rata to staff cost allocation	23,225	23,486
<b>Total costs allocated</b>		<b>1,576,843</b>	<b>1,327,511</b>
Direct project costs		1,222,640	896,977
<b>Total resources expended on research projects</b>		<b>2,799,483</b>	<b>2,224,488</b>

<u>Support expenditure and basis of allocation</u>		Year to 30.06.2017 Total £	Year to 30.06.2016 Total £
Nature of expenditure	Allocation basis		
Staff salaries and pensions	Estimate of staff time	52,145	49,748
Property occupancy costs	Pro rata to staff cost allocation	7,165	6,307
Services and other operating expenses	Actual and estimated use	8,477	7,173
Professional fees	Actual cost main audit and governance	34,624	11,650
Depreciation and loss on disposal	Pro rata to staff cost allocation	938	1,053
<b>Total</b>		<b>103,349</b>	<b>75,931</b>

<u>Other recognised gains and losses</u>		Year to 30.06.2017 Total £	Year to 30.06.2016 Total £
(Losses) / gains on foreign exchange		(223)	53,154

# Institute for European Environmental Policy, London

## Notes to the Financial Statements (continued)

For the year ended 30 June 2017

	Headcount		Full time equivalents	
	Year to 30.06.2017 No.	Year to 30.06.2016 No.	Year to 30.06.2017 No.	Year to 30.06.2016 No.
<b>4 Employee information</b>				
The average number of employees (Full time equivalents) during the period was:				
Director, management, research and writing	26	22	19	18
Finance and administration	12	7	8	7
	38	29	27	25
		Year to 30.06.2017	Year to 30.06.2016	
The total costs of these employees were:		£	£	
Wages and salaries		1,102,609	969,897	
Social Security costs		167,628	134,151	
Pension		64,539	50,490	
		1,334,776	1,154,538	
Other staff costs		9,172	5,078	
Total staff costs		1,343,948	1,159,616	
		Year to 30.06.2017 No.	Year to 30.06.2016 No.	
Number of employees who received annualised emoluments in the ranges between:				
£60,001 and £70,000		1	-	
£70,001 and £80,000		1	-	
£80,001 and £90,000		-	1	

Pension contributions in the year to 30.06.2017 for higher paid employees were £12,783 (year to 30.06.2016: nil). Pension contributions were made during the period in relation to two of the higher paid employees.

Total remuneration (including pensions costs) of the key management team comprising the Executive Director and the Executive Management Group were: year to 30.06.2017 £419,682 (year to 30.6.2016: £415,789).

During the year to 30 June 2017 a payment was made to one member of staff relating to redundancy. The amount was £958. This figure is included in the wages and salaries costs shown above. (Year to 30.06.2016: nil)

#### 5 Transactions with Directors

The Directors, who are also the Trustees for the charitable activities of the Institute, received no remuneration for services rendered during the year. Properly approved expenses were incurred relating to 9 Directors in respect of their duties as trustees of the charity in the year totalling £5,938 (year to 30.06.2016 - expenses relating to 8 Directors £6,548). 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. In addition £210 was paid to one Director who made his flat available for the use of the Executive Director on four occasions, though only utilised twice.

#### 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 £
<b>Cost</b>	
Brought forward at 1 July 2016	156,357
Additions	33,793
Disposals	(42,716)
Carried forward at 30 June 2017	147,434
<b>Depreciation</b>	
Brought forward at 1 July 2016	133,544
Charge for the year	24,163
Eliminated on Disposal	(42,716)
Carried forward at 30 June 2017	114,991
<b>Net Book Value</b>	
At 30 June 2017	32,443
At 30 June 2016	22,813

All assets are in use for charitable purposes.

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

8 Debtors	As at 30.06.2017 £	As at 30.06.2016 £
Trade debtors	577,648	213,771
Prepayments and accrued income	1,192,104	846,250
Cash advance to joint venture	876	-
VAT debtor	15,884	-
Other debtors	18,025	20,785
	<u>1,804,537</u>	<u>1,080,806</u>

All amounts fall due within one year.

9 Cash at Bank	As at 30.06.2017 £	As at 30.06.2016 £
Bank	619,048	585,858
	<u>619,048</u>	<u>585,858</u>

10 Creditors: Amounts falling due within one year	As at 30.06.2017 £	As at 30.06.2016 £
Trade creditors	289,576	80,318
Taxation and Social Security	48,868	5,948
Holiday pay accruals	67,645	64,118
Amounts held for Third Parties (see note 16)	26,837	51,051
Rent deposits	-	3,189
Deferred income (see below)	276,701	233,093
Accruals	757,143	487,452
	<u>1,466,770</u>	<u>925,169</u>

<u>Deferred income</u>	As at 30.06.2017 £	As at 30.06.2016 £
Balance brought forward:		
Research projects	35,757	1,236
Grants and donations	197,336	324,347
Released in the year	(233,093)	(325,583)
Deferred in the year:		
Research projects	-	35,757
Grants and donations	276,701	197,336
Balance carried forward	<u>276,701</u>	<u>233,093</u>

**11 Provision for liabilities and charges**

	As at 30.06.2017 £	As at 30.06.2016 £
Provisions brought forward at 01.07.2016	36,147	30,755
Increase / (decrease) in provision during the period	1,859	5,392
Provisions carried forward at 30.06.2017	<u>38,006</u>	<u>36,147</u>

The provision relates to the potential recovery of income on certain projects where there exists some uncertainty in what the final figure recoverable might be. This may arise because of the findings of project audits by funders or where estimated amounts have been used in calculating revenue which can only be confirmed when project accounts are finalised or where guidelines have been clarified during the period of a project by funders on what may be recoverable under certain funding schemes. There are also certain matters which are still to be clarified by funders.



**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

**12 Financial Commitments**

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

	As at 30.06.2017	As at 30.06.2016	As at 30.06.2017	As at 30.06.2016
Property and equipment leases: amounts payable over the remaining life of the leases	Property £	Property £	Equipment £	Equipment £
Up to one year	66,974	49,530	-	-
One to five years	155,944	-	-	-
<b>Total</b>	<u>222,918</u>	<u>49,530</u>	<u>-</u>	<u>-</u>

**13 Unrestricted Funds**

	Balance at 01.07.2016 £	Income & other gains £	Expenditure £	Funds transfers £	Balance at 30.06.2017 £
Unrestricted Reserves	703,161	2,929,542	(2,706,228)	(223)	926,252
Designated Foreign Exchange Fund	20,000	(223)	-	223	20,000
Designated Premises Fund	5,000	-	-	-	5,000
<b>Total Unrestricted Funds</b>	<u>728,161</u>	<u>2,929,319</u>	<u>(2,706,228)</u>	<u>-</u>	<u>951,252</u>

**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. The balance designated at 30.06.2017 is £20,000

**Designated Premises Fund**

Obligations may arise when the office leases terminate. The London office lease is due to end in 2021 and the Brussels office lease has a break clause in 2019. The designated sum is for future obligations which may arise on concluding its current office leases in London and Brussels (dilapidations, etc).

**14 Restricted Funds**

The restricted funds all relate to projects carried out as part of the core work. No amounts remained unspent at 30 June 2017 (30 June 2016: £nil).

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

**15 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 2017 company had 9 members (30 June 2016: 8). The company is a registered charity number 802956.

During the period the Board reviewed the potential implications on the activities of the Charity of the referendum decision for the United Kingdom to withdraw from the European Union (Brexit). As it was clear that the Charity might not be eligible for some sources of European funding once UK leaves the EU, it was decided to establish a Not for Profit entity based in Belgium. The Institute for European Environmental Policy AISBL (IEEP AISBL) was established with its Head Office in Brussels. The registered number of IEEP AISBL is 0678 767 990 and the VAT number is BE 0678.767.990. The Objects of IEEP AISBL and Articles are similar to those of IEEP, London. Several Board members serve on both Boards but the two entities are separate statutory entities. Over the next year the Boards will consider how the two IEEP entities may best work together to further their common objects.

**16 Amounts held for Third Parties**

During the period the charity has worked with the European Commission Directorate-General Research and has been administering funds on their behalf. IEEP has no powers to make payments from these funds except as directed by the European Commission. The balance held at 30 June 2017 was £ 26,837 (30.06.2016: £51,051)

	£
Balance held at 1 July 2016	
Funds received in the period	51,051
Disbursements made	(25,755)
Revaluation to year end exchange rate for balance held in Euros	<u>1,541</u>
Balance held at 30 June 2017 (included in bank and in other creditors)	<u><u>26,837</u></u>

**17 Accounting for retirement benefits**

The charity makes contributions to individual money purchase schemes on behalf of its staff as described in note 1. Contributions in the year to these schemes were £64,539 (year to 30.06.2016: £ 50,490).

**18 Investments in Joint Ventures**

**a Alliance Environnement 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 loss for the year is £206 (year to 30.06.2016: £274) and, due to the fact that it is immaterial, it has not been consolidated into these Financial Statements.

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

**18 Investments in Joint Ventures (continued)**

**b Ruranet EEIG**

**Investment in joint venture**

The charity has 25% of the voting rights in Ruranet EEIG. The other 75% of voting rights are 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.

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

The results of Ruranet EEIG for the period ended 30 June 2017 are as follows:

*Profit and loss account*

	Total Year ended 30 June 2017	IEEP's share for Period 25%	Total Year ended 30 June 2016	IEEP's share for Period 25%
	£	£	£	£
Turnover	2,825,366	706,342	2,331,025	582,756
Cost of sales	(2,278,420)	(569,605)	(2,044,476)	(511,119)
Gross profit	546,946	136,737	286,549	71,637
Administration expenses	(367,482)	(91,871)	(136,525)	(34,131)
Profit on ordinary activities before tax	179,464	44,866	150,024	37,506
Taxation	-	-	-	-
Profit on ordinary activities after tax	<u>179,464</u>	<u>44,866</u>	<u>150,024</u>	<u>37,506</u>

Note: IEPP's share of Ruranet net income is included in IEPP's results when it is received in accordance with the cost method adopted under FRS 102.

*Balance sheet*

	Total Year ended 30 June 2017	IEEP's share for Period 25%	Total Year ended 30 June 2016	IEEP's share for Period 25%
	£	£	£	£
Fixed assets	33,951	8,487	40,851	10,212
Current assets	1,677,432	419,358	1,232,544	308,136
Creditors falling due within one year	(1,711,383)	(427,845)	(1,273,395)	(318,348)
Net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**19 Contingent Liability**

The institute enters into a variety of funding arrangements under which it is accountable to the funders for the application of resources provided. Where these are subject to audit, this may occur in a period subsequent to that in which the project was delivered and income recognised. There is an ongoing risk that funder audits may disallow income previously claimed.

**20 Impact of financial instruments**

The impact of financial instruments in place at the year end was estimated to be a cost of £ nil (30 June 2016: £21,143) treated as part of the gains and losses on exchange.

The financial instruments at 30 June 2016 related to forward contracts to sell Euros at certain rates within a specified time window of less than one year. There were none at 30 June 2017.

**Institute for European Environmental Policy, London**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2017**

Institute for European Environmental Policy, London  
**Statement of Financial Activities**  
(Incorporating the Summary Income and Expenditure Accounts)  
For the year ended 30 June 2016

21 Prior Period movements in funds	Note	Unrestricted Funds £	Restricted Funds £	Total year to 30.06.2016 £
<b>Income from:</b>				
<i>Investments:</i>				
Interest received		117	-	117
Income received from joint venture	18	20,214	-	20,214
Income from property ( surplus space)		27,132	-	27,132
<i>Charitable Activities:</i>				
Grants and donations	2	31,250	263,149	294,399
Research projects		2,049,641	-	2,049,641
Other income		17,191	-	17,191
		<u>2,145,545</u>	<u>263,149</u>	<u>2,408,694</u>
<b>Total Income</b>		<u>2,145,545</u>	<u>263,149</u>	<u>2,408,694</u>
<b>Expenditure on:</b>				
<i>Raising Funds:</i>				
Property rental costs		27,132	-	27,132
<i>Charitable Activities:</i>				
Research projects	3	2,037,270	263,149	2,300,419
		<u>2,064,402</u>	<u>263,149</u>	<u>2,327,551</u>
<b>Total Expenditure</b>	3	<u>2,064,402</u>	<u>263,149</u>	<u>2,327,551</u>
<b>Net (Expenditure) / Income</b>		81,143	-	81,143
<b>Other recognised gains and losses</b>				
Net (losses)/gains on foreign exchange	3	53,154	-	53,154
<b>Net (Expenditure) / Income and net movement in funds for the year</b>		134,297	-	134,297
<b>Reconciliation of funds:</b>				
Total Funds Brought Forward at 01.01.2015		593,864	-	593,864
Total Funds Carried Forward at 30.06.2016	13,14	<u>728,161</u>	<u>-</u>	<u>728,161</u>

All gains and losses arising in the year have been recognised above and arise from continuing operations.