

Environmental Defense Fund Europe

Report and Financial Statements

Year ended 30 September 2016

Charity number 1164661

Company number: 09217493

**CHARITY COMMISSION
FIRST CONTACT**

29 JUN 2017

**ACCOUNTS
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Table of Contents

Reference and Administrative Information	3
Report of the trustees for the year ended 30 September 2016.....	4
Objectives and activities	4
Achievements and Performance	5
A summary of EDF's achievements in Europe.....	6
Financial Review	7
Reserves Policy.....	8
Plans for Future Periods.....	8
Climate and Energy	8
Oceans.....	9
Fundraising.....	10
Structure Governance and Management	10
Governing Document.....	10
Appointment of trustees	11
Trustee induction and training	11
Organisation	11
Risk Management.....	12
Trustees' responsibilities in relation to the financial statements	12
Independent auditor's report to the members of Environmental Defense Fund Europe..	14
Statement of financial activities.....	16
Balance sheet.....	17
Statement of cash flows.....	18
Notes to the financial statements.....	19

Environmental Defense Fund Europe

Reference and Administrative Information

Other Names	Environmental Defense Fund, Environmental Defense Fund Ltd (former name), Environmental Defence Fund Europe/UK (former name), EDF Europe/UK, EDF Europe, EDF UK, Environmental Defence Fund	
Directors	Katherine Lorenz Carl Ferenbach Sir John Hood Nicholas Ferguson Kathryn Murdoch Jens Dag Ulltveit-Moe Lord Barker of Battle PC	Appointed 15 September 2014 Appointed 15 September 2014 Appointed 15 September 2014 Appointed 15 September 2014 Appointed 21 October 2014 Appointed 30 October 2015 Appointed 30 October 2015
Registered Office	Bank Chambers 6-10 Borough High Street London SE1 9QQ	
Company Registration Number	09217493	
Charity Registration Number	1164661	
Accountants	Accountability Europe Limited Omnibus Workspace 39-41 North Road London N7 9DP BDO LLP 55 Baker Street London W1U 7EU	
Bankers	Wells Fargo 90 Long Acre London WC2E 9RA	

Report of the trustees for the year ended 30 September 2016

The trustees are pleased to present their annual directors' report together with the financial statements of the charitable company for the year ended 30 September 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

During the period covered by this financial report, EDF's decision to invest in a new legal structure in Europe became a reality. Environmental Defense Fund Europe entered in to the Register of Charities on 2 December 2015 and our Executive Director, Baroness Bryony Worthington, took up her position on January 1 2016.

The Environmental Defense Fund Europe board met regularly throughout the year and work began on a dedicated strategic plan for Europe. We began to introduce ourselves to new audiences at a well-attended event in June and in smaller gatherings and meetings throughout the year. Our new executive office supported programmatic work on Oceans and Energy carried out by the US not-for-profit EDF Incorporated (EDF Inc.) reaching important milestones and delivering positive environmental outcomes.

The transfer of activities from EDF Inc., to Environmental Defense Fund Europe, began with the transfer of staff contracts from the start of financial year 2017. The fiscal year 2016 accounts show the financial position pre-transition, including attributable expenses for the newly created Executive Office. Programmatic expenses for activities in Europe undertaken by EDF are not included, though we provide a summary here of the main activities undertaken.

The external context for our work may have been subject to some dramatic political changes over the period of this report but this simply reinforces our commitment to working effectively across national divides to find the ways that work. We are making good progress in Europe and remain confident we can add strength and depth to the environmental movement, helping to achieve a more sustainable future for Europe and beyond.

Objectives and activities

We know we are stepping into a fast moving river in Europe. Civil society interventions to win environmental protections have a long history. Private citizens, philanthropists, foundations and commercial sponsors have supported a rich array of charitable and not-for-profit organisations. In recent years, many progressive companies are also increasingly investing in sustainable practices and engaging in advocacy for positive change.

Environmental Defense Fund Europe

We believe EDF's track record of finding the ways that work can play an important complementary role, using a combination of tried and tested tools and innovative approaches to forge solutions that align the interests of people and nature, so that both can thrive. We hope the establishment of Environmental Defense Fund Europe will add diversity to the environmental movement, reaching new audiences and unlocking additional resources to deliver solutions that scale.

Hallmarks of Environmental Defense Fund Europe's approach include working across the political spectrum, presenting a positive vision, investing in science and data analysis, using legal and economics expertise to design solutions and working with strategic partners across all sectors.

The objects of the Charity are for the public benefit to promote:

- the advancement of the conservation, protection and improvement of the physical and natural environment;
- the advancement of the education of the public with particular reference to the conservation, protection and improvement of the physical and natural environment;
- the promotion of sustainable development by:
 - the preservation, conservation, and the protection of the environment and the prudent use of resources;
 - the promotion of sustainable means of achieving economic growth and regeneration;
 - sustainable development means "*development which meets the needs of the present without compromising the ability of future generations to meet their own needs*".

The charity Trustees consider that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission and that the benefits that the charity provides are not unreasonably restricted.

Achievements and Performance

Europe's environmental impact, both positive and negative, is globally significant. As the largest common market and a huge importer of resources from other countries, choices made in Europe matter and can affect standards across the globe. EDF has been forging practical and lasting solutions to the most serious environmental challenges for 50 years and has been on the ground in Europe since 2000, helping to shape climate policies and strengthening its landmark fisheries reform. In 2014, we decided to build a stronger, longer-term presence by establishing Environmental Defense Fund Europe, to bring a new voice for science-led, practical solutions to environmental problems.

Our new Executive Director joined in January 2016 and worked closely with existing EDF teams to support the meeting of their objectives. In June, to mark our becoming a charity and the establishment of our new Executive Office, we organised a well- attended event to present our

story to new audiences, communicating via a short film the history of our organisation and our ways of working. Throughout the year we organised and spoke at meetings and events across a range of topics and supported an internship program to nurture new talent.

A summary of EDF's achievements in Europe.

Ensuring Europe can meet the mandates of the new fisheries law

The Common Fisheries Policy (CFP) has set a new bar for European Union fisheries; now member states are translating its requirements into specific regulations for their countries. We are focused on ensuring this succeeds, especially through the powerful regional advisory councils. EDF consultant Erik Lindebo was re-appointed as vice chair of the influential North 2 Sea Advisory Council, which encompasses many of Europe's biggest fishing powers, including Sweden, Denmark, the Netherlands, Germany and, for now, the UK.

Big milestone in Sweden

In December, the Swedish marine agency announced a new rights-based management program for the country's four most important fisheries. This exciting news is the result of fishermen leading the charge for reforms, supported by EDF and in consultation with regulators. The reforms aim to meet strict conservation requirements under the CFP, while giving fishermen the flexibility they need to maintain viable businesses. The reforms set an important precedent in Europe, and could become a model.

Communities in Spain lead the way to sustainable fishing

Six communities in Spain have developed plans for sustainable fishing with support from EDF and our partner WWF Spain, and about a dozen more have expressed interest in following suit.

Expanding to Portugal

Based on our success in Spain, the newly created Portuguese foundation *Oceana Azul* has sought our help launching a sustainable fishing pilot there with an eye to eventually transforming small-scale fishery management throughout Portugal.

CLIMATE

UK fund adopts Investor Confidence Project

In June, the UK's Carbon and Energy Fund (CEF) announced it will use the Investor Confidence Project's (ICP) certification system across its portfolio. The Investor-Ready Energy Efficiency™ (IREE) certification is aimed at scaling up energy efficiency investments by ensuring that projects deliver the savings they promise and meet the needs of building owners and investors. The Carbon and Energy Fund also announced ICP's first certified project in Europe, a privately financed £13-million efficiency upgrade to hospitals in Liverpool.

European Commission highlights ICP as a best practice

The European Commission recognised ICP as a best practice for financing building energy renovations. As part of a major proposed energy policy update, the Commission commended ICP for developing beneficial tools in a public fashion. The Commission noted these tools can be used for energy efficiency projects in any country in the European Community.

Environmental Defense Fund Europe

Nordic leaders commit to tackling oil and gas methane emissions

At the U.S.-Nordic Leader Summit in May, the U.S., along with Denmark, Finland, Iceland, Norway and Sweden released a joint statement highlighting the need for a broad climate strategy, including a commitment from each country to develop a national plan to “drive down” methane emissions through “sound regulation and targets.” EDF worked behind the scenes to drive this commitment, building on the momentum of the U.S.-Canada pledge to reduce methane emissions.

Four of the world's top 15 gas-producing corporations are headquartered in Europe and we have already begun applying cutting edge leak detection technology at the European Union's largest natural gas production site, Groningen in the Netherlands.

Pricing and limiting carbon pollution to drive widespread change

With allowance prices in the EU Emission Trading System (EU ETS) — the world's largest cap-and-trade program — remaining at low levels, we see a long-term opportunity to achieve greater emissions reductions. To begin to lay the groundwork for such an approach, we and our partners the International Emissions Trading Association held two workshops with participants from industry and the European Commission to explore how the expanded use of flexibilities and other policy options could make greater ambition possible.

Moving the needle on aviation emissions

In October, the International Civil Aviation Organization (ICAO) approved a measure to limit carbon emissions from international aviation at 2020 levels. Emissions from international aviation are currently outside of the UN and EU carbon budgets. With the new framework agreement now in place, we are helping write the rules to make sure the full promise of the ICAO agreement is achieved.

Financial Review

Expenditure

Environmental Defense Fund Europe had expenditures of £434.6k for the year ended 30 September 2016. £127.3k, or 29%, was used to cover staff costs, £108.4k, or 25%, covered professional service fees and another 25%, or £108.6k, was used to cover office rent.

The transfer of activities from EDF to Environmental Defense Fund Europe began with the transfer of staff contracts from the start of FY2017. The FY2016 accounts include attributable expenses for Environmental Defense Fund Europe's Executive Office, which was established to support the delivery of EDF charitable objectives in Europe. Other expenditures include travel, meetings & events, and support services received from EDF. Programmatic expenditures continued to be attributed to EDF.

Income

Environmental Defense Fund Europe received income of £449.4k of which £435k was a grant from EDF Inc. for the year ended 30 September 2016. A number of individual donors made generous gifts toward our European office, which were transferred to Environmental Defense Fund Europe as part of that grant from EDF Inc.

Environmental Defense Fund Europe

EDF Inc. receives the majority of its funding from private individuals and Foundations. We maintain a restrictive government and corporate donations policy that ensures our objectivity, aligns with our commitment to nonpartisanship, and allows EDF to make its work freely available to ensure its widest possible adoption.

Environmental Defense Fund Europe ended 2016 with a £14.7k surplus compared to a £27.9k deficit a year earlier.

Reserves Policy

Reserves are required to bridge the gap between spending and receiving income, and/or to cover. The Trustees believe the ideal level of Reserves is three months of budgeted Operating Expense. Environmental Defense Fund Europe currently does not have its own Reserve Policy, as it is in the process of review by the Board. Whilst it is currently incurring a net liability position of £13,203 (2015: £27,988), the Board of Trustees considers there to be no going concern issues with Environmental Defense Fund Europe. In addition, it benefits from a Support Agreement with EDF Inc. As at FYE September 30, 2016, EDF Inc. maintained a Reserve of (3.3months) of Consolidated FY2016 Operating Expense.

Plans for Future Periods

We are seeking to build a strong foundation for Environmental Defense Fund Europe applying knowledge accrued over the decades by EDF with jurisdictionally tailored ways of working.

We are developing and investing in our operational capabilities, including in fundraising, to enable us to fulfil an ambitious set of environmental programmatic goals. A summary of those goals are provided here.

Climate and Energy

EDF's Blueprint 2020 outlined our vision on climate: avert catastrophic climate change by reducing emissions of climate pollutants, and help people and ecosystems build resilience and adapt to the warming that does occur. To achieve deeper and lasting reductions beyond 2020, EDF will work in targeted countries and sectors to help design policies and markets that harness the engines of prosperity toward delivering a stable climate.

Energy sector transition

We are witnessing exciting and important innovation in clean energy in the US, Europe and in China. Falling costs, increasing concerns about climate change and air quality, and the development of global markets for clean solutions is driving change deep into the heart of the energy sector, with new business models appearing, new regulatory frameworks emerging and confidence among investors increasing. However, innovations are not yet scaling quickly enough to turn the corner on climate change.

We see an opportunity to accelerate the pace of change by leveraging the power of investors, technology companies and policy entrepreneurs on both sides of the Atlantic and in China. As a first step, EDF needs to expand and deepen our relationships in the EU and begin to build a

Environmental Defense Fund Europe

collaborative strategy with EU-based partners to jointly accelerate the investment and policy innovation needed to deliver on the promise of energy efficiency and transform the electricity systems.

Goal Statement

Accelerate the rate of adoption of clean energy innovations through international collaboration, focusing on the integration of renewables, the introduction of supportive electricity market regulations and business models, and increasing investor confidence.

Carbon pricing

Capping greenhouse gas emissions with declining legal limits is a clear way of guaranteeing action. A key overarching objective in EDF's 2020 Blueprint is that by 2020, one quarter of the world's carbon dioxide emissions are covered by durable, declining limits achieved with a carbon price, on track to having one half of emissions covered by 2030.

Goal Statement

Promote increased use of carbon pricing to encourage Europe to set more ambitious emission targets, helping to bend the curve in global emissions more quickly.

Limit Near-Term Warming: Reducing Methane Emissions from the Oil & Gas Industry

Methane is more than 80 times more potent than CO₂ over a 20- year timeframe and responsible for around one-quarter of the warming our planet is experiencing now. Because the science is comparatively recent, efforts to address methane in the short term do not yet match the important work already being done to limit CO₂ emissions.

Goal Statement

Win stronger commitments among countries and companies in Europe for action to quantify, report, and reduce methane emissions and to play a more visible leadership role in reducing emissions globally by 45% by 2025.

Oceans

EDF's Blueprint 2020 outlined our vision on oceans: in our lifetimes, recover the world's wild fisheries so that we have more fish, more food and more prosperity. And specifically, by 2020, be on track toward having 50% more fish in the sea by 2025 compared to 2015.

Two key 2020 milestones are that governments representing nearly a third of world's catch have adopted effective policies for sustainable fishing and twice as many fishermen and women are fishing sustainably and benefiting from higher revenues and rebounding fish populations. We work to bring about systems change by aligning the needs of people with the needs of the oceans. Our approach combines incentives and accountability as we support providing fishermen and communities with rights to a secure share of the fish caught or access to a traditional fishing area.

Goal statement

By 2020 Europe is leading the world by managing fisheries in the context of climate change in order to contribute to a 50% increase in fish in the global oceans and more than doubling the profits of European fishermen by 2025.

Fundraising

Our donations policy excludes accepting corporate donations or sponsorship. We seek to raise funds from high net worth individuals, foundations and relevant Government grant making programmes. Environmental Defense Fund Europe receives donations raised by EDF Inc for our work in Europe and direct support received from European sources. Fundraising activities in Europe are closely co-ordinated between EDF and Environmental Defense Fund Europe.

We carry out our fundraising in house and do not currently employ professional fundraising service providers and do not manage small scale donations from individuals. Environmental Defense Fund Europe does not hold or manage a list of contact details for donors residents in Europe, donating to Environmental Defense Fund Europe. We have received no complaints. Our fundraising activity is currently not operating at a level where we consider it necessary to agree to any voluntary standards. Should it increase we will ensure we adopt leading practices and sign up to and meet the appropriate standards.

Our fundraising activities, processes and controls are operating effectively and without concerns. Our employees are informed of appropriate conduct with all partners, donors and donor prospects.

Structure Governance and Management

Governing Document

Environmental Defense Fund Europe is a company limited by guarantee under the Companies Act of 2006 and incorporated in England and Wales. Environmental Defense Fund, Incorporated, a New York not-for-profit organisation ("EDF Inc"), is the sole member of the Charity. The liability of the Member is limited to £1, being the amount that the Member undertakes to contribute to the assets of Environmental Defense Fund Europe in the event of its being wound up while it is the Member or within one year after it ceases to be the Member.

Decisions of Environmental Defense Fund Europe are made by the Charity's trustees, who act independently from EDF Inc. EDF Inc. may suggest areas of work for consideration by the Environmental Defense Fund Europe's trustees; however, work in these suggested areas will be undertaken only if the trustees of the Charity decide that it will further the Charity's objects and that it will be effective in the UK and/or wider European context. Program and geographic leaders work collaboratively to identify and maximise opportunities for transformative environmental impact.

Appointment of trustees

The Memorandum and Articles of Association of Environmental Defense Fund Europe require that the Charity have at least four trustees, two of whom must be independent trustees. Trustees are appointed by EDF Inc., as the sole member, for such term as the sole member specifies.

Trustees of Environmental Defense Fund Europe have been, and prospective Trustees will continue to be, chosen with their knowledge of the European region in mind. In due course, as the Charity gains experience and develops its own organisational capacity, it is anticipated that the Charity's staff and Trustees will increasingly propose areas of focus and activities to be carried out by Environmental Defense Fund Europe and will liaise with EDF Inc. to ensure such activities coordinate with EDF Inc.'s work.

As sole Member, EDF Inc. may appoint one of the Trustees to be the Chair of the Trustees for such term of office as they determine and may at any time remove him or her from that office.

EDF and Environmental Defense Fund Europe work together towards the achievement of common goals and currently share a common Board Chair, which helps to provide co-ordination and consistency.

We are seeking to expand Board membership to include representatives from a wider spectrum of European countries. We are also exploring establishing additional legal entities in European jurisdictions in order to support the meeting of our strategic objectives.

Trustee induction and training

Trustees are provided with guidelines on their roles and responsibilities as well as a summary of the company and charity law that applies to Environmental Defense Fund Europe.

Organisation

An Executive Director is appointed by the Trustees to manage the day-to-day operations of Environmental Defense Fund Europe by implementing the policy and strategy adopted by and within a budget approved by the Trustees. The Trustees provide the manager with a description of his or her role and the extent of his or her authority; and any manager must report regularly to the Trustees on the activities undertaken in managing Environmental Defense Fund Europe and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

In January 2016 Baroness Worthington was appointed as Executive Director.

Risk Management

The Trustees of Environmental Defense Fund Europe are committed to developing a risk management policy and process which comprises:

- a review of the principal risks and uncertainties that the charity face, including financial, operational and reputational, and the creation of a risk register;
- the development of initiatives that mitigate the risks identified in the review; and
- the implementation of policies, processes or procedures to minimise or manage the potential impact on the charity should those risks materialise.

It is the intent of the management of Environmental Defense Fund Europe to complete this initiative by June 2018 incorporating all of the above, and also ensuring that this gets closely monitored on a continual basis.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

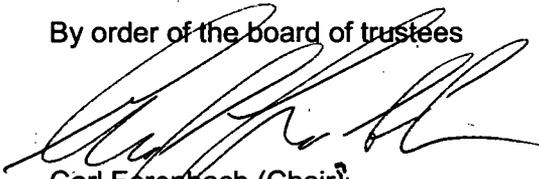
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Carl Ferembach (Chair)
21 June 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIRONMENTAL
DEFENSE FUND EUROPE**

We have audited the financial statements of Environmental Defense Fund Europe for the year ended 30 September 2016 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2016 and of its net income 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- 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, take advantage of the small companies exemption in preparing the trustees' report or the exemption from the requirements to prepare a strategic report.



Don Bawtree, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 26 June 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Environmental Defense Fund Europe

Statement of financial activities
 (incorporating an income and expenditure account)
For the year ended 30 September 2016

	Note	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Income from:					
Charitable activities:	3				
Supporting the EU Oceans Policy		435,000	14,400	449,400	-
Total income		435,000	14,400	449,400	-
Expenditure on:					
Charitable activities:	4				
Supporting the EU Oceans Policy		420,215	14,400	434,615	27,988
Total expenditure		420,215	14,400	434,615	27,988
Net income/(expenditure)	5	14,785	-	14,785	(27,988)
Net movement in funds		14,785	-	14,785	(27,988)
Reconciliation of funds:					
Total funds brought forward	11	(27,988)	-	(27,988)	-
Total funds carried forward	11	(13,203)	-	(13,203)	(27,988)

All of the above results are derived from continuing activities.
 There were no other recognised gains or losses other than those stated above.
 The attached notes form part of these financial statements.

Environmental Defense Fund Europe

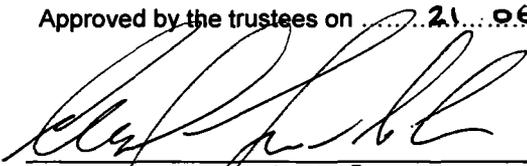
Balance sheet

As at 30 September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Current assets:					
Debtors	8	33,444		-	
Cash at bank and in hand	13	<u>525,277</u>		<u>5,000</u>	
		558,721		5,000	
Liabilities:					
Creditors: amounts falling due within one year	9	<u>571,924</u>		<u>32,988</u>	
Net current assets / (liabilities)			<u>(13,203)</u>		<u>(27,988)</u>
Total net assets / (liabilities)			<u>(13,203)</u>		<u>(27,988)</u>
Funds					
	11				
Restricted funds			-		-
Unrestricted funds:					
General funds		<u>(13,203)</u>		<u>(27,988)</u>	
Total unrestricted funds			<u>(13,203)</u>		<u>(27,988)</u>
Total funds			<u>(13,203)</u>		<u>(27,988)</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on 21.09.2017 and signed on their behalf by:


 Name CARL FERENBACH
 Trustee (CHAIR)

The attached notes form part of the financial statements.

Environmental Defense Fund Europe

Statement of cash flows
For the year ended 30 September 2016

	Note	2016	2015
		£	£
Net cash provided by operating activities	12	520,277	5,000
Change in cash and cash equivalents in the year		520,277	5,000
Cash and cash equivalents at the beginning of the year		5,000	-
Cash and cash equivalents at the end of the year	13	525,277	5,000

The attached notes form part of the financial statements.

Notes to the financial statements

For the year ended 30 September 2016

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 October 2014. No restatement was required at the transition date.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Whilst EDF Europe is currently incurring a net liability position of £13,203 (2015: £27,988), the Board of Trustees considers there to be no going concern issues with EDF Europe. In addition, EDF Europe benefits from a support agreement with EDF Inc. (Parent entity) whereby financial support is provided where necessary for its continued operations for a period of not less than one year after the signing date of the financial statements.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's environmental programmes and activities. Support costs have been allocated to expenditure on charitable activities.

h) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

i) Cash at bank and in hand

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

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Environmental Defense Fund Europe

2 Detailed comparatives for the statement of financial activities

	2015 Unrestricted £	2015 Restricted £	2015 Total £
Income from:			
Charitable activities:			
Supporting the EU Oceans Policy	-	-	-
Total income	<u>-</u>	<u>-</u>	<u>-</u>
Expenditure on:			
Charitable activities:			
Supporting the EU Oceans Policy	27,988	-	27,988
Total expenditure	<u>27,988</u>	<u>-</u>	<u>27,988</u>
Net movement in funds	(27,988)	-	(27,988)
Total funds brought forward	-	-	-
Total funds carried forward	<u>(27,988)</u>	<u>-</u>	<u>(27,988)</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Supporting the EU Oceans Policy				
EDF	435,000	-	435,000	-
Robertson	-	14,400	14,400	-
Total for Supporting the EU Oceans Policy	<u>435,000</u>	<u>14,400</u>	<u>449,400</u>	-
Total income from charitable activities	<u>435,000</u>	<u>14,400</u>	<u>449,400</u>	<u>-</u>

Environmental Defense Fund Europe
Notes to the Financial Statements (continued)

4 Analysis of expenditure

	<u>Charitable activities</u>				
	Supporting the EU Oceans Policy £	Support costs £	Governance costs £	2016 Total £	2015 Total £
Staff costs	127,323			127,323	-
Professional fees	108,458			108,458	-
Staff travel	2,991			2,991	-
Rent		108,643		108,643	23,637
Office costs		15,749		15,749	-
Meetings		42,080		42,080	-
Subscriptions		9,546		9,546	-
Other costs		5,825		5,825	4,351
Audit fee			14,000	14,000	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	238,772	181,843	14,000	434,615	27,988
Support costs	181,843	(181,843)		-	-
Governance costs	14,000		(14,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure 2016	434,615	-	-	434,615	27,988
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure 2015	27,988	-	-	27,988	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Of the total expenditure, £420,215 was unrestricted (2015: £27,988) and £14,400 was restricted (2015: £nil).

5 Net Income / (expenditure) for the year

This is stated after charging:	2016	2015
	£	£
Operating lease rentals:		
Property	108,643	-
Auditor's remuneration:		
Audit fees	14,000	4,000
	<u> </u>	<u> </u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2016	2015
	£	£
Salaries and wages	113,125	-
Social security costs	14,198	-
	<u> </u>	<u> </u>
	127,323	-
	<u> </u>	<u> </u>

The following number of employees received employee benefits (excluding employer pension) greater than £60,000 during the year was as follows:

	2016	2015
	No.	No.
£100,000 - £109,999	1	-
	<u> </u>	<u> </u>

The total employee benefits including pension contributions of the key management personnel were £105,000 (2015: £nil).

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year 2016 (2015: £nil) neither were they reimbursed expenses during the year 2016 (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity in the year 2016 (2015: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

Environmental Defense Fund Europe
Notes to the Financial Statements (continued)

	2016 No.	2015 No.
Charitable activities	<u>2</u>	<u>-</u>
	<u>2</u>	<u>-</u>

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Debtors

	2016 £	2015 £
Prepayments	<u>33,444</u>	<u>-</u>
	<u>33,444</u>	<u>-</u>

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Other creditors	492,042	32,988
Accruals	33,882	-
Deferred income	<u>46,000</u>	<u>-</u>
	<u>571,924</u>	<u>32,988</u>

Deferred income

	2016 £	2015 £
Balance at the beginning of the year	-	-
Amount deferred in the year	<u>46,000</u>	<u>-</u>
Balance at the end of the year	<u>46,000</u>	<u>-</u>

Deferred income comprises of grants received in 2016 relating to 2017 project work.

Environmental Defense Fund Europe
Notes to the Financial Statements (continued)

10 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total funds £
Net current assets	<u>(13,203)</u>	<u>-</u>	<u>(13,203)</u>
Net assets at the end of the year	<u>(13,203)</u>	<u>-</u>	<u>(13,203)</u>

The net current assets as at the year ended September 30 2015, £27,988 was unrestricted funds. There was no restricted funds.

11 Movements in funds

	At 01 October 2015 £	Income £	Expenditure £	Transfers £	At 30 September 2016 £
Restricted funds:					
Robertson	-	14,400	14,400	-	-
Total restricted funds	<u>-</u>	<u>14,400</u>	<u>14,400</u>	<u>-</u>	<u>-</u>
Unrestricted funds:					
General funds	(27,988)	435,000	420,215	-	(13,203)
Total unrestricted funds	<u>(27,988)</u>	<u>435,000</u>	<u>420,215</u>	<u>-</u>	<u>(13,203)</u>
Total funds	<u>(27,988)</u>	<u>449,400</u>	<u>434,615</u>	<u>-</u>	<u>(13,203)</u>

Purposes of restricted funds

Robertson funding was a grant awarded to finance the support of the Oceans Policy which deals with the restoration of global fisheries to abundance.

Environmental Defense Fund Europe
Notes to the Financial Statements (continued)

12	Reconciliation of net (expenditure) to net cash flow from operating activities		
		2016	2015
		£	£
	Net (expenditure) for the reporting period (as per the statement of financial activities)	14,785	(27,988)
	Increase in debtors	(33,444)	-
	Increase in creditors	538,936	32,988
	Net cash provided by operating activities	<u>520,277</u>	<u>5,000</u>

13	Analysis of cash and cash equivalents				
		At 1 October 2015	Cash flows	Other changes	At 30 September 2016
		£	£	£	£
	Cash at bank and in hand	5,000	520,277	-	525,277
	Total cash and cash equivalents	<u>5,000</u>	<u>520,277</u>	<u>-</u>	<u>525,277</u>

14 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Less than 1 year	133,775	132,100
2 - 5 years	<u>434,769</u>	<u>568,544</u>
	<u>568,544</u>	<u>700,644</u>

15 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

16 Related party transactions

There are no related party transactions to disclose for 2016 (2015: none).
There are no donations from related parties which are outside the normal course of business.