

Charity Registration No. 1053988

Company Registration No. 2863827 (England and Wales)

CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008

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

Trustees

S A Hockman
M McIntosh
W McIntosh
V Thomas
The Honourable E Young

Charity number

1053988

Company number

2863827

Principal address

2-6 Cannon Street
London
EC4M 6YH

Registered office

2-6 Cannon Street
London
EC4M 6YH

Auditors

Arram Berlyn Gardner
30 City Road
London
EC1Y 2AB

CLIENTEARTH COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

REPORT NEEDS UPDATING BY TRUSTEES

The trustees present their report and accounts for the year ended 31 March 2008.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its memorandum and articles of association.

The trustees, who are also the directors for the purpose of company law, who served during the year were:

S Hockman	(Appointed 19 July 2007)
M McIntosh	
W McIntosh	
V Thomas	
The Honorable E Young	

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

New Trustees are identified and invited to join the Board by the Chief Executive Officer and the Chair of the Board of Trustees. They are selected on the basis of their sympathy with ClientEarth's charitable objects, and their ability to further them as a Trustee.

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

Objectives and activities

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

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

The Trustees are pleased to state that the trust has sufficient funds to meet its current and future obligations and that such reserves as it maintains are considered to be reasonable bearing in mind that the charity started its activity at the end of the year.

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

FOR THE YEAR ENDED 31 MARCH 2008

Achievements and performance

During the period 1 April 2007 to 31 March 2008, James Thornton working as a consultant, continued to build ClientEarth. The following was achieved

- Completed a series of major funding proposals for foundation grants;
- Held our second Board of Trustees meeting on 24th October 2007 in the Royal Automobile Club;
- Received £260,975 in funds
- Rented space in London for our UK office and set up the office, taking on a three year lease from October 2007;
- Hired Karla Hill, an environmental lawyer with planning and environmental experience in private law and government service, to serve as the climate and energy policy staff lawyer in the London Office;
- Hired Ed Walker, who holds a Masters degree in environmental science from Oxford University's Environmental Change Institute to serve as administrator and pa to the CEO;
- Established a relationship with the European Climate Foundation whereby ClientEarth took the lead in the legal campaign against the building of new coal power plants in the UK (except those which capture their carbon), focusing on the Kingsnorth plant;
- Hired Tim Malloch, a litigator with 7 years experience at Freshfields, to lead in building the case against Kingsnorth;
- Advised Parliamentarians and NGOs on the Climate and Energy bills in the UK Parliament;
- Developed relationships with UK based and Brussels based NGOs;
- Rented space in Brussels and began the hiring process for our first Brussels based lawyer.

This work continued the build-out of ClientEarth, began a network of working relationships with green groups, deepened the group of foundations who support our work, put us in a good position to advise green groups, lawmakers and foundations on environmental matters, and positioned us for further growth in the second, third and fourth quarters of 2008.

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

FOR THE YEAR ENDED 31 MARCH 2008

Financial review

During the period ended 31 March 2008 the charity received income of £262,883 (31.03.07 £68,234).

At 31 March 2008 the charity had net assets of £123,046 (31.03.07 £42,516), £40,419 (31.03.07 £51,090) of which made up of unrestricted cash.

At 31 March 2008, Unrestricted Funds were £45,600 (31.03.07 £42,516). It is the aim of the charity to maintain sufficient available funds to enable it to operate for a period of twelve months from any date of review.

Disclosure of information to auditors

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

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



The Honorable E. Young

Trustee

Dated:

25.11.08

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

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the accounts of Clientearth for the year ended 31 March 2008 set out on pages 7 to 12. These accounts have been prepared under the accounting policies set out on page 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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 auditors

As described on page 4, the trustees, who are also the directors of Clientearth for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

Basis of opinion

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

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

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

Opinion

In our opinion:

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

Arram Berlyn Gardner

Arram Berlyn Gardner
Chartered Accountants
Registered Auditor
30 City Road
London
EC1Y 2AB

Dated: *25 November 2008*

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

	Notes	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
<u>Incoming resources from generated funds</u>					
Investment income	2	1,908	-	1,908	-
Incoming resources from charitable activities	3	106,872	154,103	260,975	68,234
Total incoming resources		108,780	154,103	262,883	68,234
<u>Resources expended</u>					
4					
Costs of generating funds					
Costs of generating grants		20,656	-	20,656	9,305
Net incoming resources available		88,124	154,103	242,227	58,929
Charitable activities					
Charitable activities		32,223	76,657	108,880	7,594
Governance costs		52,817	-	52,817	9,144
Total resources expended		105,696	76,657	182,353	26,043
Net income for the year/ Net movement in funds		3,084	77,446	80,530	42,191
Fund balances at 1 April 2007		42,516	-	42,516	325
Fund balances at 31 March 2008		45,600	77,446	123,046	42,516


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

**CLIENTEARTH
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	7		3,648		-
Current assets					
Debtors	8	38,350		-	
Cash at bank and in hand		92,627		51,090	
		<u>130,977</u>		<u>51,090</u>	
Creditors: amounts falling due within one year	9	<u>(11,579)</u>		<u>(8,574)</u>	
Net current assets			<u>119,398</u>		<u>42,516</u>
Total assets less current liabilities			<u>123,046</u>		<u>42,516</u>
Income funds					
Restricted funds	10		77,446		-
Unrestricted funds			<u>45,600</u>		<u>42,516</u>
			<u>123,046</u>		<u>42,516</u>

The accounts were approved by the Board on *25.11.08*


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The Honorable E. Young
Trustee

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

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2008 £	Total 2007 £
Costs of generating funds					
Costs of generating grants	300	-	20,356	20,656	9,305
Charitable activities					
<u>Charitable activities</u>					
Activities undertaken directly	26,008	1,819	81,053	108,880	7,594
Governance costs	3,113	-	49,704	52,817	9,144
	<u>29,421</u>	<u>1,819</u>	<u>151,113</u>	<u>182,353</u>	<u>26,043</u>

Audit fees (including VAT) charged to the Income and Expenditure account amounted to £2,350 (2007 £nil) and fees paid to the auditors for non-audit services amounted to £4,124 (2007 £2,350)

5 Trustees

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

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2008 Number	2007 Number
Restricted funds projects	2	-
Mixture of restricted funds projects and general	1	-
	<u>3</u>	<u>-</u>
Employment costs	2008 £	2007 £
Wages and salaries	<u>29,421</u>	<u>-</u>

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

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

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2007	-
Additions	5,467
	<u>5,467</u>
At 31 March 2008	5,467
Depreciation	
At 1 April 2007	-
Charge for the year	1,819
	<u>1,819</u>
At 31 March 2008	1,819
Net book value	
At 31 March 2008	<u><u>3,648</u></u>

8 Debtors	2008 £	2007 £
Other debtors	32,507	-
Prepayments and accrued income	5,843	-
	<u>38,350</u>	<u>-</u>

9 Creditors: amounts falling due within one year	2008 £	2007 £
Taxes and social security costs	2,154	-
Other creditors	2,230	-
Accruals	7,195	8,574
	<u>11,579</u>	<u>8,574</u>

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

10 Restricted funds

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

	Movement in funds			Balance at 31 March 2008
	Balance at 1 April 2007	Incoming resources	Resources expended	
	£	£	£	£
Esmee Fairbairn Foundation	-	43,700	(17,476)	26,224
Getty Trust	-	5,000	(5,000)	-
Oak Foundation	-	77,053	(51,069)	25,984
European Climate Foundation	-	28,350	(3,112)	25,238
	-	154,103	(76,657)	77,446

11 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2008 are represented by:			
Tangible fixed assets	3,648	-	3,648
Current assets	53,531	77,446	130,977
Creditors: amounts falling due within one year	(11,579)	-	(11,579)
	45,600	77,446	123,046

12 Related parties

During the year the charity received grants of £82,819 (31.03.07 £48,234) from The McIntosh Foundation, a foundation in which the trustees M McIntosh and W McIntosh are trustees.