

Environmental Defense Fund UK
Annual Report and Financial Statements
Year ended 30 September 2023
Charity number: 1164661
Company number: 09217493

Table of Contents

Reference and administrative information	3
Report of the Trustees	4
Statement of Trustees' Responsibilities	14
Statement as to disclosure to our auditors	15
Independent auditor's report	16 - 20
Financial statements and notes to the financial statements	21 - 38

Reference and Administrative Information

Name change	On 7 th December 2022, Environmental Defense Fund was renamed to Environmental Defense Fund UK (EDF UK)
Other Names	Environmental Defense Fund Europe (former name), Environmental Defense Fund Ltd (former name), Environmental Defence Fund Europe/UK (former name)
Board of Directors	Carl Ferenbach (Chairman) Lord Brian Griffiths Ravi Gurumrthy Connie Hedegaard Mark Heising Roland Kupers Andrea Monge Hannah Ryder Jens Dag Ulltveit Moe Lance West
Registered Office	3 rd Floor 41 Eastcheap London EC3M 1DT
Company Registration Number	09217493
Charity Registration Number	1164661
Independent Auditor	BDO LLP Central Square, 29 Wellington Street, Leeds, LS1 4DL
Bankers	Citibank 33 Canada Square London E14 5LB

Environmental Defense Fund UK Report of the Trustees for the year ended 30 September 2023

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 September 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act 2006 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" (the "Charities SORP").

The financial statements are made on a consolidated basis and include EDF UK and its affiliated entity Stichting EDF Europe (EDF Europe). EDF UK (Parent Charity) and EDF Europe may be collectively referred to as EDF and/or Group. EDF UK and EDF Europe are subsidiaries of Environmental Defense Fund Incorporation (EDF Inc).

The objectives of EDF UK are for the public benefit to promote:

- The advancement of conservation, protection, and improvement of the physical and natural environment.
- The advancement of the education of the public with 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 Trustees of EDF UK consider that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the Public Benefit guidance published by the Charity Commission.

2023 overview

The geopolitical landscape in Europe has become ever more complex in 2023. While European leaders have been keen to try and demonstrate that they can deal with multiple international crises simultaneously, closer to home, the remaining elements in the European Union's (EU's) Green Deal have faced a few ups and downs due to political headwinds. Nonetheless, EDF achieved a couple of significant successes in Europe.

The EU's flagship Green Deal, launched in 2019, has shaped many of the policies of this Commission mandate. While several of the key pieces of legislation needed to bring the Green Deal to life have now been adopted, its progress during 2023 has been something of a rollercoaster ride, with numerous ups and downs in environmental policy making, including the

weakening of some legislation. Other elements have been officially withdrawn, with the hope that the next Commission mandate will pick up the mantle to tackle areas like the sustainable food strategy for example. Of course, even for those elements that have been adopted, the benefits will only come to life through implementation on the ground.

Working against this background of political volatility, it has become clearer than ever that leaning into EDF's combination of pragmatism and evidence-based advocacy is serving us well. During the course of this year, we refreshed our vision and strategy for our European work. We have identified three key approaches that make our work in Europe particularly impactful across our work in energy transition, mobility and food and agriculture. These are i) our strong scientific credentials; ii) our ability to meaningfully engage with corporates; and iii) our global footprint, with particular emphasis on EDF's 'anchor' regions in the USA, China, and India in addition to Europe.

We have wasted no time in bringing our refocused vision to life and have taken advantage of moving to a new office premises in Brussels to consciously position ourselves to bridge the science to policy gap, hosting science-led conversations, for example on soil carbon measurement and hydrogen emissions.

Goals and Achievements

Reducing Methane Emissions

Two key facts demonstrate the importance of our focus on reducing methane emissions. Firstly, cutting methane is the fastest way to slow global warming. Secondly, the EU is the world's largest importer of fossil fuels. The EU's proposal for a Methane Regulation to limit energy sector methane emissions therefore provided the opportunity to drive meaningful change in this space.

Working hand in hand with our scientists, EDF's team in Europe played a critical role in strengthening the draft EU Methane Regulation through countless direct engagements with policymakers, public events, and increasingly strong relationships with other leading NGOs, both at the EU level and in member states. Our major communications campaign during the negotiation phase established EDF as a trusted source of science-based policy recommendations.

As we look to the future, measuring progress made in methane reduction within the EU and its supplier countries will be critical. Methane-tracking technologies, including MethaneSat will be crucial for the next stage, to measure progress made on methane reduction, both within the EU and its supplier countries. We will be continuing to build on this work in the year ahead.

2023 achievements

- We ramped up campaigning efforts towards the European Parliament and the EU Council, amplifying both EDF experts' and external stakeholders' voices to push for stronger EU rules. Our campaign was widely visible in Brussels on billboards, through social media, and in prominent news outlets including POLITICO Europe and Euractiv – driving traffic to our campaign page [CutMethaneEU.org](https://www.cutmethaneeu.org).
- Our #CutMethaneEU campaign with the agency Fourtold drew positive attention and has been shortlisted for an award for the European Excellence Awards 2023.

- In addition to targeted outreach including more than 100 policymaker meetings, we participated in more than twenty public events with high level participants including Executive Vice President of the European Commission, Frans Timmermans, and numerous high-level events in the European and national Parliaments. We also worked with ten leading EU non-profits, and asked the European Parliament to push for ambitious amendments that followed our science-based policy recommendations.

Getting Hydrogen Right

Although hydrogen is widely considered to hold great promise as a decarbonisation strategy, it creates several climate challenges, depending on how it is produced, managed, and used. Our scientists have highlighted research showing that when released through venting, purging or unintended leaks, it increases the concentrations of other greenhouse gases in the atmosphere. Like methane, hydrogen's warming effects are short lived, but very potent. It is more than 35 times more powerful than carbon dioxide over the first 20 years after its release.

There remains, however, relatively limited awareness of these concerns in policy making circles, which is particularly alarming at a time when critical regulatory and infrastructure decisions are being taken. The choices currently being made by policy makers have the potential to shape the energy system and our ability to reach climate neutrality for decades to come.

Our role during 2023 has therefore focused on raising awareness to make sure that we take the necessary steps in Europe to 'get hydrogen right'. We have worked closely with our science team to strengthen science-based advocacy in this space, helping decision makers and other stakeholders understand how to avoid policy pitfalls that might steer investment and climate neutrality efforts in the wrong direction. Our outreach has also helped to recruit European companies for our forthcoming hydrogen emissions measurement campaign. We expect to receive a newly developed hydrogen measurement sensor in Europe in the course of 2024. This will help drive our EU hydrogen advocacy to the next level as we will be able to deliver original, empirical research to critical decision makers in the policy and business worlds.

2023 achievements

- We held multiple awareness raising meetings with prominent and influential EU actors, including high-level EU policymakers, such as the Cabinet of European Vice President Frans Timmermans and MEP Jens Geier as well as senior representatives/politicians from the Netherlands, Germany, Denmark, and the UK.
- Further to our discussions with MEPs we secured a key amendment in the EU Hydrogen and Gas Markets Package, opening the window for the European Commission to evaluate the climate risk of hydrogen leakage and potentially submit a legislative proposal in the new EU mandate to introduce measures to minimise leaks.
- After successfully applying for membership of the European Clean Hydrogen Alliance (ECH2A) task force on imports, we advocated for the appropriate consideration of the climate and wider environmental impacts of hydrogen.

Enhancing our Approach to EU Transport

While Europe has been a front-runner in deploying e-mobility, EU transport emissions remain stubbornly high. Meanwhile, international transport emissions, from shipping and aviation, are projected to increase. This has made it harder for the EU to meet ambitious climate goals, as well as perpetuating bad air quality in cities across the continent.

We focus on those sectors that cannot be directly electrified; where emissions continue to grow; and where our scientific expertise can support balanced decision-making about molecular energy carriers – for ships, for aircraft, and potentially for heavy-duty vehicles. Our shipping work is well advanced; for aviation and heavy-duty vehicles we are scoping new work.

2023 achievements

- We have made good use of our status as an official Observer of the International Maritime Organisation (IMO). Highlights included participating in July's climate negotiations to advocate for a significant increase in ambition aligned with the 1.5C Paris temperature goal, hosting an event to showcase green technologies and organising a call to action by fuel producers and other stakeholders to call on IMO to adopt full life-cycle accounting principles to support the development of truly green fuel alternatives. We also participated in IMO's Sub-Committee on the Carriage of Cargoes and Containers where we discussed our work on the toxicity of ammonia used as shipping fuel and EDF's cutting-edge research on hydrogen leaks and global warming potential.
- We published a study with researchers from CE Delft proposing a practical means of enacting emissions reductions in the EU in the short term through a climate label for shipping (also referred to as a Carbon Intensity Indicator, CII). The study showed that by requiring ships in the EU to reach grade "A" or "B", this could reduce shipping emissions by up to 30%. The study's findings were reported by major transport and energy outlets including Offshore Energy and Trade Winds and were socialized at the European Shipping Summit. A Euractiv panel event in December further explored EU opportunities for shipping decarbonisation through this shipping climate label. This work was also presented to European Non-Governmental Organisations (NGOs), to the European Sustainable Shipping Forum (ESSF) and in August 2023 through the industry press (Bunkerspot) and social media.

Advancing Climate Smart Agriculture

The EU policy context in this space has been challenging during 2023, with rebellion against environmental policy from the agri-food lobby and a bumpy path on food and farming elements of the EU Green Deal.

As a newcomer to this space, we have moved carefully to establish our role, while being convinced of the value that we can add to help drive change in this critical area for climate. In this complex political environment, we have the opportunity to leverage ED F's DNA of bridging the space between science and policy, and between science and corporate ambitions. We see our ability to engage in a positive way with the business sector as a particularly important gap to fill in this space.

We have built on the results of our 2022 multi-stakeholder workshop to start exploring solutions for reducing livestock methane emissions that balance climate action and socio-economic considerations, such as the livelihood and sustainability of food systems. This has meant that our work focuses on promoting a holistic, systems-based approach. It seems clearer than ever that to have real impact, we need to explore 'win-win' solutions for both farmers and the environment. Working with investors and financial institutions and intermediaries to embed sustainability in their activities is also key, along with driving towards a vision of how win-win solutions can be promoted via EU-wide policies, such as CAP-based incentives.

2023 achievements

- In January EDF launched a partnership with Danone, in which EDF will support the company to cut methane emissions in their global operations. In the EU that includes two projects in Belgium and Spain. We are also jointly exploring solutions for financing sustainable practices, such as through blended finance.
- Together with Climate-KIC, we kicked off the co-creation phase for the 'new normal for sustainable dairy' Flagship project as part of the Irish Deep Demonstration project. The aim of the project is to accelerate emission reduction and co-benefits for the environment (water, soil and biodiversity) in dairy farms by using a systems innovation approach, in which existing and new efforts will be supported to identify, test, validate and scale different combinations of actions to overcome barriers and incentivise action across multiple value chain actors in the farming sector. The co-creation phase will last until Spring 2024, and – pending funding – will be followed by a multi-year implementation phase.
- We launched a study in Ireland to identify pathways to increase access to private finance for methane emissions mitigation in the dairy sector. This builds on a study into funding gaps in the agriculture sector by the European Investment Bank. The study uses two illustrative examples, each methane-reducing practices, to test with financial institutions in Ireland what their barriers and drivers are for granting loans to farmers.

Strengthening our impact

To strengthen our impact on our focus areas, we undertook several pieces of work that focus on business engagement, and we have completed a scoping exercise to drive sustainable finance. We are also exploring how we can embed environmental justice principles in all our work going forward.

Circular Economy EDF Europe contributed substantially to the global EDF +Biz 'Pathways to Net Zero: Circular Strategies for Climate Action' Report. This is the fourth in the Pathways series to help businesses plan net zero business plans. It aims to raise awareness of the importance of circular economy and to provide practical tools and advice to incorporate circular planning into business models. EDF Europe also hosted a Euractiv panel in July to promote awareness and action on the synergy between climate and circular economy policy in the EU.

Sustainable Finance The adoption of the European Sustainability Reporting Standards (ESRS) by the European Commission in July 2023 marked an important milestone for corporate

sustainability disclosures. EDF Europe played an important role in shaping these standards via its membership of EFRAG, the European Sustainable Financial Reporting Advisory Group. We also collaborated closely with other civil society organisations advocating to ensure that the ESRS are ambitious, comprehensive, practical, and consistent with other EU legislation.

During the last quarter of 2023, EDF Europe has undertaken a strategic review of the work priorities in Sustainable Finance. Our intention is to go beyond the work on disclosures to leverage finance as a tool to accelerate Europe's transition to a sustainable economy within the agriculture, energy transition and transport sectors. This will mean holding the finance sector to account for commitments that have been made to support climate action in those sectors. It will also mean working with the finance industry and the relevant sectors to identify opportunities and solutions to financing the transition.

Environmental Justice (EJ) We have started a landscape assessment of environmental justice and equity and EDF Europe's possible role in engaging in those issues. The assessment focuses on how the issue is understood in Europe, what policy exists, and a stakeholder mapping. The consultancy undertaking the work will also conduct case studies in countries that we aim to engage in, or which have a particular importance to understand EJ issues in Europe: Spain, the Netherlands, Germany, Italy, Poland, Romania, and Ireland.

Looking to the future

The 2024 European elections will be a key moment for the future of the Union's climate policies. Many commentators point out that the EU is facing a make-or-break moment in terms of whether it is willing to pay the costs – both financial and political – of moving forward with decarbonisation at the speed and according to the model it has set out in the European Green Deal. The key question therefore is if the next European Parliament and Commission will continue the current path – by setting 2040 targets – and ensuring that we remain on track for meeting the EU's carbon neutrality goals.

We stand ready to engage fully in these debates and to help drive lasting changes that support a cleaner, healthier, and more stable world.

Operations

EDF has continued its transformation into a global organisation and further increased its presence in Europe. EDF UK now has a diverse team of approximately 50 Full Time Employees (FTEs) in the UK, Belgium, the Netherlands, Germany, Spain, France, Sweden, and Portugal. We have also strengthened our presence at the heart of the EU institutions in Brussels with the opening of a new expanded office in 2023 and the registration of a Branch on October 1st, 2023.

Our operations team has also been reinforced with the creation of a new position of Director for Governance and Operations in January 2023. This has helped improve cross-functional alignment and ensure our policies and processes are compliant in the countries we operate in.

Financial review

Expenditure

EDF UK's direct expenditure for the year ended 30 September 2023 totalled £9,845k (2022: £5,789k). Of the total expenditure, was considered unrestricted £9,829k (2022: £5,632k) and was subject to donor restrictions £16k (2022: £158k).

EDF Europe's direct expenditure was £6,590k (2022: £3,045k) The expenditure covered charitable activities and operational costs.

Income

EDF UK receives intercompany grants and funding to finance its activities. We maintain a restrictive government and corporate donations policy that ensures our objectivity, aligns with our commitment to non-partisanship, and allows EDF UK to make its work freely available to ensure its widest possible adoption.

EDF UK received a total income of £9,303k (2022: £5,851k) for the year ended 30 September 2023. This included unrestricted funds of £9,287k (2022: £5,694k) and of funds that were subject to a restriction on usage £16k (2022: £158k).

EDF UK ended FY2023 with a financial result of £542k loss compared to a £62k surplus in FY 2022.

Total funds at the end of FY2023 are £180k (2022: £721k). All net assets held were considered unrestricted.

Conduit funding

During the year, EDF UK received funding on behalf of EDF Inc totalling £3k. These funds were passed directly to EDF Inc at the request of the donor and are not included in the results of EDF UK.

Reserves policy

EDF UK and Stichting EDF Europe have secured the continued backing of the US-based parent EDF Inc, for the period under review. This support takes the form of a signed guaranteed agreement covering all costs, and a signed guarantee covering any losses that EDF UK and Stichting EDF Europe are unable to meet. Having the guarantee in place, EDF UK and Stichting EDF Europe do not maintain a reserve policy per se.

Going concern

As of the date of signing these financial statements, the Trustees' forecasts indicate that EDF will be able to maintain liquidity for a period of at least one year following the date of signing these financial statements and will therefore be able to continue to operate as a going concern. The Trustees therefore consider that no material uncertainty exists that could impact the charity's going concern assessment.

EDF is in a good position and maintaining its current programmatic strategy and expansion plans. The trustees also deem the future risk to income streams to be negligible as a result of the signed letter of support from EDF Inc. This letter demonstrates that EDF Inc. has a legal obligation to cover the shortfalls up to June 2025. The Trustees have made suitable inquiries and considered the charity's forecasts, including cash flow, updated in the context of the global challenges, and covering a period of at least 12 months from the date of approval of these financial statements. In making our assessment, the Trustees did not consider there to be any material uncertainty

relating to events or conditions that individually or collectively may cast significant doubt on the company's ability to continue as a going concern.

Fundraising

EDF UK seeks to raise funds from individuals, foundations and relevant Government grant making programs. EDF UK and Stichting EDF Europe receive donations raised by EDF Inc for our work in Europe and direct support received from European sources. Fundraising activities in Europe are closely coordinated between EDF Inc and EDF UK and Stichting EDF Europe.

Structure governance and management

Governing document

EDF UK is a charity limited by guarantee under the Companies Act 2006 and incorporated in England and Wales. EDF Inc New York not-for-profit organization 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 EDF UK in the event of its being wound up while it is the Member or within one year after it ceases to be the Member. In addition to the foregoing, EDF Inc. has entered into an agreement with EDF UK to pay operating expenses that EDF is unable to pay during the period from October 2022 through June 2025.

Decisions regarding EDF UK are made by the Charity's Trustees, who act independently from EDF Inc. EDF Inc may suggest areas of work for consideration by the EDF UK's Trustees; however, work in these suggested areas will be undertaken only if the Trustees of EDF UK decide that it will further EDF UK 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.

Stichting Environmental Defense Fund Europe is a charitable foundation, registered in the Netherlands (Chamber of Commerce registration no. 72607440) and a company limited by guarantee, incorporated in the Netherlands (Fiscal identity company no. 859171814). EDF UK consolidates the results of EDF Europe on the basis that it has the ability to govern EDF Europe's financial and operating policies. The mission of EDF Europe follows that of EDF UK and its ultimate parent organization, EDF Inc. Summary results for EDF Europe are included in the notes to the financial statements.

On October 1st, 2023, EDF Europe has registered a branch in Belgium under registration number 0770.948.080. Earlier, EDF Europe had met the main material criteria for Permanent Establishment in Belgium, signalling a need for more formal status in country. EDF Europe was previously registered only as a foreign employer in Belgium. This status was appropriate whilst the Belgian operation was nascent with a small staff to facilitate compliant payroll and benefits for Belgian personnel. However, EDF's Belgian presence, staff and activity have grown considerably, and with the recent securing of a long-term office lease in Brussels, we needed to address a permanent establishment risk in Belgium and properly register with the Belgian government. Because all EDF activity in continental Europe originates from the EDF Europe entity, a branch office presents the most efficient, economical, and achievable solution to ensure compliance in Belgium.

The workforce remuneration and key management personnel salaries are reviewed against market pay data. Our remuneration policy ensures workforce pay is within the appropriate market benchmark, parameters, and criteria against the UK charity and not for profit sector.

Appointment of Trustees

The Memorandum and Articles of Association of EDF require that the company have at least four trustees, two of whom must be independent trustees. EDF Inc. as the sole member, appoints Trustees for such terms as the sole member specifies.

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

Trustee induction and training

New EDF UK Trustees are voted on by a majority vote of the Board. Upon their approval, new Trustees are provided a Trustee handbook and organisational orientation, which includes training regarding a conflict-of-interest disclosure. The orientation includes meetings with the Board chair, EDF UK Executive Director, and other members of the organisation's senior leadership team as well as some programme teams. The goal of the orientation is to give new trustees the opportunity to ask questions and gain a deeper understanding of the organisation's mission, vision, and operations.

Organisation

An Executive Director is appointed by the Trustees to manage the day-to-day operations of both EDF UK and EDF 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 EDF UK and provide them regularly with management accounts. A new Executive Director, Helen Spence, was appointed on September 20th, 2023.

Risk management

The Trustees of EDF UK receive regularly updated risk assessments which cover the principal risks and uncertainties that the charity face, including financial, operational, and reputational, presented in the form of a risk register that also summarises implementation of policies, processes, or procedures to minimise or manage the potential impact on EDF UK should those risks materialise.

The Trustees review the risk register bi-annually and consider any further steps which may be necessary to manage new as well as previously identified risks. The Trustees consider the most serious risks to which the charity is exposed at present to be:

- Operational Planning and Execution. EDF faces operational challenges arising from capacity or infrastructure constraints due to inadequate organisational planning or execution. To address this, a strategic resourcing plan aligned with the EDF Inc Strategy will be developed, avoiding overstaffing while rectifying current shortfalls. Collaboration with Global Enterprise will be pursued to seamlessly integrate operational components, leveraging the overall Group strategy.
- Mission Execution & Alignment. There is a risk of ineffective planning, execution, and alignment of the group's mission work with broader Global Mission goals, plans, and budget. Mitigation involves active participation in Mission Strategic Alignment Meetings, contributing to the early development of the Europe strategy. A thorough review of the budget from both regional and impact area perspectives before finalisation, coupled with the development of a multi-year financial plan linked to the group's Strategic plan, will guide the team.
- Retaining Talented Personnel. The risk involves high turnover and challenges in retaining top diverse personnel. To mitigate, resolution of compensation, benefits, and process issues impacting various regions is paramount. Ongoing solicitation and action on feedback from staff through established communication channels will be maintained. The implementation of targeted action plans derived from data gathered in the Employee Survey will be a priority to ensure the retention of talented and diverse personnel.
- Sustain Economic Downturn. There is a risk of inconsistent performance due to a sustained downturn in the U.S. and/or global economy. Mitigation strategies include enhancing the budget process to allow greater flexibility in adjusting strategic plans based on available funding. Active pursuit of multi-year funding specific to European programmatic activities will be prioritised. Rigorous review of headcount requests to ensure alignment with objectives and available funding is also prioritised. Developing a multi-year financial plan and implementing cost control efforts are crucial components of the mitigation strategy.
- Reputational Risk. EDF's reputation and credibility, particularly concerning scientific credentials, are crucial for successful advocacy and change. To mitigate the risk to our reputation, we regularly conduct media monitoring in Europe and the US, along with program-level monitoring. Regular reviews of our publications and social media outputs are conducted to uphold and strengthen our reputation.

Statement of Trustees' responsibilities

The trustees, who are also directors of the Charity for the purpose of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity 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 the applicable Charities SORP;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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.

In preparing this Trustees' Report advantage has been taken of the small companies' exemption, including the option not to produce a strategic report.

By order of the Board of Trustees:



Carl Ferenbach (Chairman)

Date: 29 May 2024

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ENVIRONMENTAL DEFENSE FUND UK

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Charity’s affairs as at 30 September 2023 and of the Group’s incoming resources and application of resources and the Parent Charity’s incoming resources and application of resources 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.

We have audited the financial statements of Environmental Defense Fund UK (“the Parent Charity”) and its subsidiary (“the Group”) for the year ended 30 September 2023 which comprise the Consolidated statement of financial activities, the consolidated and parent charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charity and its environment obtained in the course of the audit, we have not identified material misstatement in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the Parent Charity and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's and Charity's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the applicable accounting framework, UK GAAP, the Companies Act 2006 and Charity SORP.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incidents register and reports.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's and Charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and completion of grant income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing completeness of grant income with reference to supporting documentation;
- Assessing significant estimates made by management for bias;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

DocuSigned by:

Sarah Anderson

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Sarah Anderson (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Leeds, UK

12 June 2024

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

Environmental Defense Fund UK
Consolidated Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 30 September 2023

		2023			2022		
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
- Climate initiatives	2	9,282,435	16,188	9,298,622	5,616,289	157,616	5,773,905
Other income	3	4,372	-	4,372	77,516	-	77,516
Total income		<u>9,286,807</u>	<u>16,188</u>	<u>9,302,994</u>	<u>5,693,805</u>	<u>157,616</u>	<u>5,851,421</u>
Expenditure on:							
Charitable activities:							
- Climate initiatives	4	9,828,660	16,188	9,844,847	5,631,569	157,616	5,789,185
Total expenditure		<u>9,828,660</u>	<u>16,188</u>	<u>9,844,847</u>	<u>5,631,569</u>	<u>157,616</u>	<u>5,789,185</u>
Net (expenditure) income for the year		(541,853)	-	(541,853)	62,236	-	62,236
Reconciliation of funds:							
Total funds brought forward		721,400	-	721,400	659,164	-	659,164
Current year result		(541,853)	-	(541,853)	62,236	-	62,236
Total funds carried forward		<u>179,547</u>	<u>-</u>	<u>179,547</u>	<u>721,400</u>	<u>-</u>	<u>721,400</u>

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
The notes on pages 21 to 38 form part of these financial statements.

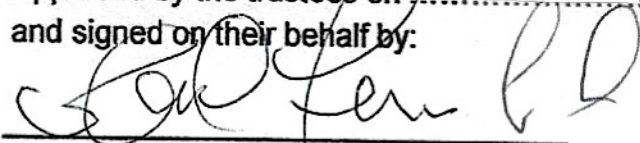
Environmental Defense Fund UK
Consolidated Balance Sheet
As at 30 September 2023

Company registration no. 09217493

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	8	782,091		74,624	
Intangible Assets	9	-		2,904	
			782,091		77,528
Current assets:					
Debtors	10	512,448		340,396	
Cash at bank		125,154		1,094,567	
		637,602		1,434,963	
Liabilities:					
Creditors: amounts falling due within one year	11	(1,201,962)		(772,461)	
Net current (liabilities)/assets			(564,361)		662,502
Total assets less current liabilities			217,731		740,030
Provisions for liabilities			(38,184)		(18,630)
Total net assets			179,547		721,400
Funds					
Restricted funds			-		-
Unrestricted funds			179,547		721,400
Total funds			179,547		721,400

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 29 May 2024
and signed on their behalf by:



Name: Carl Ferenbach
Trustee

The notes on pages 21 to 38 form part of these financial statements.

Environmental Defense Fund UK
Parent Charity Balance sheet
As at 30 September 2023

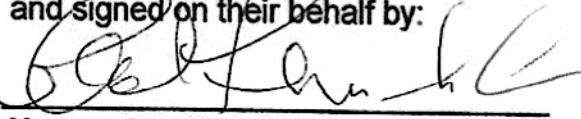
Company registration no. 09217493

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	8	44,992		56,644	
Intangible Assets	9	-		2,904	
			<u>44,992</u>		<u>59,548</u>
Current assets:					
Debtors	10	663,968		151,277	
Cash at bank		<u>104,459</u>		<u>852,685</u>	
		<u>768,428</u>		<u>1,003,962</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(509,404)</u>		<u>(403,239)</u>	
Net current (liabilities)/assets			<u>259,024</u>		<u>600,723</u>
Total assets less current liabilities			<u>304,015</u>		<u>660,271</u>
Provisions for liabilities			<u>(25,397)</u>		<u>(18,630)</u>
Total net assets			<u>278,618</u>		<u>641,641</u>
Funds					
Restricted funds			-		-
Unrestricted funds			<u>278,618</u>		<u>641,641</u>
Total funds			<u>278,618</u>		<u>641,641</u>

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

As permitted by section 408 of the Companies Act 2006, the Parent Charity's profit and loss account has not been included in these financial statements. The loss for the year was £363k (2022: £62k surplus).

Approved by the trustees on 29 May 2024
and signed on their behalf by:



Name: Carl Ferenbach
Trustee

The notes on pages 21 to 38 form part of these financial statements.

Environmental Defense Fund UK
Consolidated Statement of Cash Flows
For the year ended 30 September 2023

	2023	<i>restated</i> 2022
	£	£
Cash flows from operating activities		
Net (expenditure) / income for the year	(541,853)	62,236
Amortisation charge	2,904	8,238
Depreciation charge	49,752	37,354
Decrease in debtors	(172,052)	(178,740)
(Decrease) / increase in creditors	330,782	(38,186)
Increase / (decrease) in provisions	19,554	(6,000)
Net cash (used in) / provided by operating activities	(310,913)	(115,098)
 Cash flows from investing activities		
Purchase of tangible fixed assets	(658,501)	(72,022)
Net cash (used in) provided by investing activities	(658,501)	(72,022)
Net decrease in cash and in cash equivalent	(969,414)	(187,120)
 Cash and cash equivalents at the beginning of the year	1,094,567	1,281,687
 Cash and cash equivalents at the end of the year	125,153	1,094,567

The notes on pages 21 to 38 form part of these financial statements.
Prior period is restated, see Note 17 for details.

Environmental Defense Fund UK

Notes to the financial statements

For the year ended 30 September 2023

1 Accounting policies

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 2019) - (Charities SORP FRS 102) and the Companies Act 2006. Environmental Defense Fund 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. These financial statements have been prepared in accordance with provisions applicable to companies' subject to the small companies' regime. These financial statements have been prepared in Great British pound.

1.1 Basis of consolidation

These financial statements consolidate the results of EDF UK and its controlled subsidiary undertaking EDF Europe on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because it has taken advantage of the exemption afforded by the Charities SORP.

1.2 Going concern

EDF is in a good position and maintaining its current programmatic strategy and expansion plans. The trustees also deem the future risk to income streams to be negligible as a result of the signed letter of support from EDF Inc. This letter demonstrates that EDF Inc. has a legal obligation to cover the shortfalls up to June 2025. The Trustees have made suitable inquiries and considered the charity's forecasts, including cash flow, updated in the context of the global challenges, and covering a period of at least 12 months from the date of approval of these financial statements. In making our assessment, the Trustees did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the company's ability to continue as a going concern.

1.3 Income

Income is recognised when EDF 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.

1.4 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of EDF. Designated funds are unrestricted funds of EDF, 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 areas of the charity's work or for specific projects being undertaken by the charity.

Environmental Defense Fund UK

Notes to the financial statements

For the year ended 30 September 2023

1.5 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:

- Direct costs: these are costs associated with the charitable activities, such as personnel costs, professional services fees and travel costs;
- Support costs: these costs for facilitating the charitable activities such as office and meetings costs, subscriptions;
- Governance costs: these costs of annual statutory audit of the Group.

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

1.6 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.

1.7 Operating leases

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

1.8 Cash at bank

Cash at bank 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.

1.9 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 discounts.

Provisions for dilapidations totaling £38,184 (2022: £18,630) are the best estimate of costs for the repairs and redecoration of office premises to return to good order before vacating in July 2025 and in January 2032 respectively.

1.10 Financial instruments

Environmental Defense Fund has only 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 except for bank loans which are subsequently measured at amortized cost using the effective interest method.

Environmental Defense Fund UK
Notes to the financial statements
For the year ended 30 September 2023

1.11 Intangible Assets

Intangible assets relate to website development costs. Where EDF's website is expected to generate future revenues in excess of the costs of developing those websites and all other capitalization criteria are met, expenditure on the functionality of the website is capitalized and treated as an intangible fixed asset. The capitalized website development costs are subsequently amortized to 'administrative' expenses on a straight-line basis over four years, except for those that are 'assets under construction', where no amortisation charge is incurred until the asset is complete.

1.12 Tangible fixed assets

Items of equipment are capitalized where the purchase price exceeds £500. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Office equipment – 33% straight-line basis
- Fixtures and fittings – 20% straight-line basis

1.13 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1.14 Judgements in applying accounting policies and key sources of estimation uncertainty

Revenue is recognised on the Oceano Azul Foundation grant based on a percentage completion basis over the life of the contract using a best estimate based on supporting budgets and costs submitted. The trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure.

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

2 Income from charitable activities

	Unrestricted	Restricted	2023	2022
	£	£	Total	Total
	£	£	£	£
Climate initiatives				
EDF Inc	9,273,121	-	9,273,121	5,593,501
Children's Investment Fund Foundation	-	-	-	5,241
Oceano Azul Foundation	-	16,188	16,188	38,168
Other Donations	9,314	-	9,314	22,788
United Nations Environment Programme	-	-	-	114,207
Total for climate focused initiatives	9,282,435	16,188	9,298,623	5,773,905

Analysis of turnover by country of origin

	2023	2022
	Total	Total
	£	£
United Kingdom	6,985	28,029
Rest of Europe	18,516	152,375
Rest of the world	9,273,121	5,593,501
Total turnover	9,298,623	5,773,905

3 Other income

	Unrestricted	Restricted	2023	2022
	£	£	Total	Total
	£	£	£	£
Interest received on bank accounts	4,372	-	4,372	-
Total other income	4,372	-	4,372	-

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

4 Analysis of charitable expenditure for 2023

	Direct costs	<u>Charitable activities</u>		2023 Total
		Support costs	Governance costs	
	£	£	£	£
Staff costs	5,253,245	-	-	5,253,245
Professional fees	2,958,638	-	-	2,958,638
Staff travel	272,561	-	-	272,561
Rent	-	570,376	-	570,376
Office costs	-	87,409	-	87,409
Meetings	-	131,331	-	131,331
Subscriptions	-	49,418	-	49,418
General administration	-	158,522	-	158,522
Audit fees	-	-	58,896	58,896
Forex loss	304,453	-	-	304,453
	8,788,906	997,056	58,896	9,844,848

Analysis of charitable expenditure for 2022

	Direct costs	<u>Charitable activities</u>		2022 Total
		Support costs	Governance costs	
	£	£	£	£
Staff costs	2,782,895	-	-	2,782,895
Professional fees	1,884,406	-	-	1,884,406
Staff travel	157,686	-	-	157,686
Rent	-	365,836	-	365,836
Office costs	-	41,088	-	41,088
Meetings	-	348,838	-	348,838
Subscriptions	-	37,010	-	37,010
General administration	-	126,396	-	126,396
Audit fees	-	-	45,030	45,030
	4,824,987	919,168	45,030	5,789,185

Of the total expenditure incurred in 2023, £9,828,660 was unrestricted (2022: £5,631,569) and £16,188 was restricted (2022: £157,616).

Professional fees relate to third party services utilised in order to meet charitable objectives, as well as services required to maintain the operational aspects of the Charity, such as HR and Finance.

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

5 Net expenditure for the year

This is stated after charging:	2023	2022
	£	£
Operating lease rentals:		
- Property	570,376	365,836
Depreciation	49,752	37,354
Amortisation	2,904	8,238
Auditor's remuneration:		
- Audit fees	58,896	45,030
	681,928	456,458

6 Analysis of staff costs

Staff costs were as follows:	2023	2022
	£	£
Salaries and wages	3,312,365	1,674,521
Social security and pension contributions	1,559,125	940,324
Other staff costs	381,754	168,050
	5,253,245	2,782,895

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

	2023	2022
	No.	No.
£60,000 - £69,999	4	-
£70,000 - £79,999	3	2
£80,000 - £89,999	1	3
£90,000 - £99,999	2	3
£100,000 - £109,999	1	2
£110,000 - £119,999	3	1
£120,000 - £129,999	2	1
£130,000 - £139,999	1	1
£140,000 - £149,999	1	1
£150,000 - £159,999	-	-
£160,000 - £169,999	1	1
£170,000 - £179,999	1	-
£300,000 - £369,999	1	-

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

Senior employees of EDF UK and Stichting EDF Europe have global responsibilities and, therefore, perform work for EDF entities other than EDF UK and Stichting EDF Europe. The employee benefits in the table above include significant amounts related work performed for these other EDF entities. Currently, it is not possible to accurately allocate the costs between the various EDF entities. As per EDF's compensation policy, their salaries have been benchmarked against similar global positions in the non-profit, public and private sectors.

The total remuneration of the key management personnel was £636,556 (2022: £400,982). Contributions amounting to £51,047 (2022: £20,480) were made to defined contribution schemes for the key management personnel of 3 individuals (2022: 3 individuals). Key management personnel were determined to be the Executive Vice President, Regions, and Chief Executive Officer in 2023 (Managing Director, Executive Director and Director of Development in 2022).

Redundancy and termination costs relating to employees were £nil (2022: £4k).

Staff Numbers

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

	2023	2022
	No.	No.
EDF UK	15	11
Stichting EDF Europe	28	14
	<u>43</u>	<u>25</u>

7 Taxation

EDF UK and EDF Europe are exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

8 Tangible fixed assets (Group)

	Office equipment	Fixtures and fittings	Fixed assets in progress	Total 2023
Cost	£	£	£	£
At the start of the year	118,828	21,588	-	140,416
Additions in year	44,377	-	712,841	757,218
At the end of the year	163,205	21,588	712,841	897,634
Depreciation				
At the start of the year	54,637	11,153	-	65,791
Charge for the year	45,435	4,318	-	49,753
At the end of the year	100,072	15,471	-	115,543
Net book value				
At the end of the year	63,133	6,117	712,841	782,091
At the start of the year	64,191	10,435	-	74,625

Tangible fixed assets (Parent Charity)

	Office equipment	Fixtures and fittings	Fixed assets in progress	Total 2023
Cost	£	£	£	£
At the start of the year	95,250	21,588	-	116,838
Additions in year	-	-	9,711	9,711
At the end of the year	95,250	21,588	9,711	126,549
Depreciation				
At the start of the year	49,040	11,153	-	60,194
Charge for the year	17,045	4,317	-	21,363
At the end of the year	66,085	15,471	-	81,556
Net book value				
At the end of the year	29,165	6,117	9,711	44,992
At the start of the year	46,210	10,434	-	56,644

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

9	Intangible fixed assets (Group and Parent Charity)	Website Development 2023 £
	Cost	
	At the start of the year	46,846
	At the end of the year	<u>46,846</u>
	Amortisation	
	At the start of the year	43,942
	Charge for the year	2,904
	At the end of the year	<u>46,846</u>
	Net book value	
	At the end of the year	<u>-</u>
	At the start of the year	<u>2,904</u>

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

10 Debtors	Group 2023	Group 2022	Parent Charity 2023	Parent Charity 2022
	£	£	£	£
Amounts owed by group undertakings	351,910	227,552	615,186	44,358
Prepayments	160,538	112,844	48,781	106,919
Total debtors	<u>512,448</u>	<u>340,396</u>	<u>663,967</u>	<u>151,277</u>

11 Creditors: amounts falling due within one year	Group 2023	Group 2022	Parent Charity 2023	Parent Charity 2022
	£	£	£	£
Trade creditors	832,265	262,744	313,078	101,706
Other creditors	243,097	91,148	116,024	56,508
Accruals	126,600	402,381	80,302	247,467
Deferred income	-	16,188	-	16,188
Total creditors	<u>1,201,962</u>	<u>772,461</u>	<u>509,404</u>	<u>421,869</u>

The above balance includes £90,513 (2022: £51,149) of the Group pension liability.

The pension liability of the Parent Charity is £14,803 (2022: £12,987).

12 Operating lease commitments

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

	2023	2022
	£	£
Less than 1 year	400,857	270,804
2 - 5 years	953,661	366,513
Greater than 5 years	786,569	-
Total minimum lease payments	<u>2,141,087</u>	<u>637,317</u>

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

13 Legal status of EDF UK

EDF UK is a charity limited by guarantee and has no share capital. Its immediate and ultimate beneficial owner is EDF Incorporated, a 501c3 non-profit corporation established and registered in the State of New York, New York, United States of America. EDF Incorporated is known for its work on issues, including global warming, ecosystem restoration, oceans, and human health.

EDF UK is a sole subsidiary of EDF Incorporated, and it is fully controlled by EDF Incorporated.

EDF Incorporated's consolidated accounts prepared under generally accepted principals in the United States can be found at <https://www.edf.org/>.

14 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

During the year the Group received a grant of £9,273,121 (2022: £5,593,501) from EDF Inc.

During the reported year, Mr. Roland Kupers, a board member of EDF UK and of Stichting EDF Europe, was paid Euro 39,648.40 by EDF Inc during FY23, under service contract as a Senior Science Advisor to the EDF Office of the Chief Scientist.

In October 2023, Mrs. Connie Hedegaard, a board member of EDF UK and of Stichting EDF Europe, was paid Euro 448.98 by Stichting EDF Europe as a reimbursement of her expenses associated with participation at the Board meetings and incurred during FY23.

During the reported year Andrea Monge, Connie Hedegaard, Roland Kupers, Carl Ferenbach, Peter Harrison and Helen Spence have received benefits estimated circa Euro 500 associated with participation at a dinner event in Brussels, Belgium.

15 Conduit funding

During the year, EDF UK received £3k from the Levine Family Foundation (2022: £27k). The Foundation specified that this funding was intended to support EDF Inc's work on Indonesian fisheries and asked for it to be transferred to EDF Inc. The funding was received into EDF UK's bank account but was immediately transferred, in full, to EDF Inc, in accordance with the Foundation's intention. EDF UK has treated both this, and the funds received in FY22 and FY2021 as conduit funding and as such, has not included the donations for either year in its financial results.

16 Post balance sheet events

EDF Europe has registered a branch office in Brussels, Belgium effectively on October 1, 2023, with a registered address at Kunstlaan 47, 1000, Brussels, Belgium.

Moreover, EDF Europe management decided to terminate its London office lease due to the fact that the office was underused. On May 10, 2024, a legally binding Deed of Surrender was executed to terminate the lease.

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

17 Prior period restatement

The prior years' cash flow from operating activities has been restated to include movements in changes of debtors and creditors of £178,740 and £38,186 respectively, which were omitted in error. This has been corrected by recognising the missing figures below:

Net cash (used in) / provided by operating activities at 30 September 2022	£
As previously reported	101,826
Restatement - Increase in debtors	(178,740)
Restatement - Decrease in creditors	(38,186)
Restated Net cash (used in) / provided by operating activities at 30 September 2022	<u>(115,100)</u>
Net decrease in cash and cash equivalents at 30 September 2022	
As previously reported	29,804
Restatement - Increase in debtors	(178,740)
Restatement - Decrease in creditors	(38,186)
Restated Net decrease in cash and cash equivalents at 30 September 2022	<u>(187,122)</u>
Cash and cash equivalents at 30 September 2022	
As previously reported	1,311,493
Restatement - Increase in debtors	(178,740)
Restatement - Decrease in creditors	(38,186)
Restated cash and cash equivalents at 30 September 2022	<u>1,094,567</u>

There is no change to the bottom line and the overall net current assets and assets position remains unchanged as a result of these restatements.

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

18 Stichting EDF Europe Statement of Financial Activities

	2023			2022		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:						
Donations and grants	6,484,423	-	6,484,423	3,045,570	-	3,045,570
Other income	3,019	-	3,019	-	-	-
Total income	<u>6,487,442</u>	<u>-</u>	<u>6,487,442</u>	<u>3,045,570</u>	<u>-</u>	<u>3,045,570</u>
Expenditure on:						
Charitable activities	6,589,626	-	6,589,626	3,045,457	-	3,045,457
Total expenditure	<u>6,589,626</u>	<u>-</u>	<u>6,589,626</u>	<u>3,045,457</u>	<u>-</u>	<u>3,045,457</u>
Net (expenditure) income for the year	(102,183)	-	(102,183)	113	-	113
Reconciliation of funds:						
Total funds brought forward	22,773	-	22,773	22,660	-	22,660
Total funds carried forward	<u>(79,410)</u>	<u>-</u>	<u>(79,410)</u>	<u>22,773</u>	<u>-</u>	<u>22,773</u>

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.

The notes on pages 21 to 38 form part of these financial statements.

Environmental Defense Fund UK
Notes to the financial statements (continued)
For the year ended 30 September 2023

19 Stichting EDF Europe Balance Sheet	2023	2023	2022	2022
	£	£	£	£
Fixed assets:				
Tangible assets	<u>737,098</u>		<u>17,980</u>	
	737,098		17,980	
Current assets:				
Amounts due from EDF group	-		126,526	
Prepayments	111,756		5,925	
Cash at bank	<u>20,694</u>		<u>241,882</u>	
	132,451		374,334	
Current liabilities:				
Creditors: amounts falling due within one year	(438,885)		(161,039)	
Amounts due to EDF group	(243,615)		-	
Other liabilities	<u>(253,672)</u>		<u>(208,502)</u>	
	(936,172)		(369,541)	
Net current (liabilities)/assets		<u>(803,721)</u>		<u>4,793</u>
Total assets less current liabilities		(66,623)		22,773
Provisions for liabilities		<u>(12,787)</u>		<u>-</u>
Total net (liabilities)/ assets		<u>(79,410)</u>		<u>22,773</u>
Funds				
Restricted funds	-		-	
Unrestricted funds	<u>(79,410)</u>		<u>22,773</u>	
Total funds		<u>(79,410)</u>		<u>22,773</u>

The notes on pages 21 to 38 form part of these financial statements.