

Charity Registration No. 1053988

Company Registration No. 2863827 (England and Wales)

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)**

COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
CONTENTS**

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditors' report	5 - 6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 10

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
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 (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 MARCH 2007

The trustees present their report and accounts for the year ended 31 March 2007.

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.

On 17 November 2006 the company changed its name from Earthrights: The Environmental law and Resource Centre to Clientearth.

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)
J B Louveax	(Resigned 13 November 2006)
M McIntosh	(Appointed 13 November 2006)
W McIntosh	(Appointed 13 November 2006)
V Phillips	(Resigned 13 November 2006)
P Roderick	(Resigned 4 May 2007)
V Thomas	(Appointed 13 November 2006)
J Woolley	(Resigned 13 November 2006)
The Honorable E Young	(Appointed 13 November 2006)

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 appointed by a resolution of the trustees.

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 (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2007

Achievements and performance

During the period 1 April 2006 to 31 March 2007 James Thornton, working as a consultant, took a dormant charity, Earthrights, and transformed it into a new, fully functioning charity, ClientEarth, with similar but slightly adjusted aims. In doing so, James Thornton achieved the following:

-Completed a needs assessment to establish whether an organisation of the type of ClientEarth would be able to function in the UK and be able to provide a valuable service.

-Conducted research to develop ClientEarth's programme of work, including consulting with other environmental charities in the UK and in the wider EU.

-Established a bank account and a relationship with a law firm specialising in charities law.

-Worked with our lawyers to revise the Memorandum and Articles of Association of the former Earthrights organisation in order to update them and align them with the needs that ClientEarth could serve.

-Built relationships with potential trustees, arranged agreement for the old trustees to resign, and appointed a new board of trustees to take over management of the charity.

-Developed relationships with potential grant-making organisations and explored avenues for possible funding.

-Secured £68,234 in unrestricted start-up funds.

This work puts the new charity in a strong position as it moves into its second year of operation, providing a solid foundation upon which to build its ongoing work towards achieving its objectives.

Financial review

During the year ended 31st March 2007 the charity received income of £68,234 (2006: £NIL).

At 31st March 2007 the charity had net assets of £42,516 (2006: £325) which is substantially made up of cash received from donations and grants.

At 31 March 2007, Unrestricted Funds were £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.

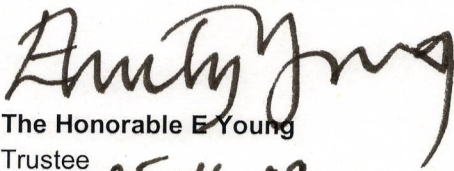
**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2007

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Arram Berlyn Gardner, will be deemed to be reappointed for each succeeding financial year.

On behalf of the board of trustees



The Honorable E. Young
Trustee

Dated: 25.11.08

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
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 (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF CLIENTEARTH (FORMERLY EARTHRIGHTS: THE
ENVIRONMENTAL LAW AND RESOURCE CENTRE)**

We have audited the accounts of Clientearth (Formerly Earthrights: The Environmental Law and Resource Centre) for the year ended 31 March 2007 set out on pages 7 to 10. 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 (Formerly Earthrights: The Environmental Law and Resource Centre) 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.

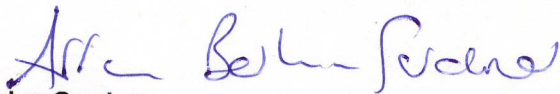
**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE MEMBERS OF CLIENTEARTH (FORMERLY EARTHRIGHTS: THE
ENVIRONMENTAL LAW AND RESOURCE CENTRE)**

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 2007 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

Chartered Accountants

Registered Auditor

30 City Road

London

EC1Y 2AB

Dated: 28 November 2008

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
<u>Incoming resources from generated funds</u>			
Incoming resources from charitable activities	2	68,234	-
<u>Resources expended</u>			
Costs of generating funds			
Costs of generating grants	3	9,305	-
Net incoming resources available		58,929	-
Charitable activities			
Charitable activities		7,594	-
Governance costs		9,144	-
Total resources expended		26,043	-
Net income for the year/ Net movement in funds		42,191	-
Fund balances at 1 April 2006		325	325
Fund balances at 31 March 2007		42,516	325

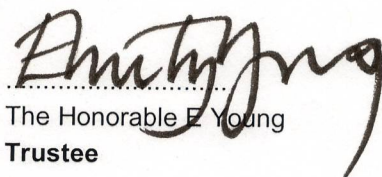
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
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COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2007

	Notes	2007 £	£	2006 £	£
Current assets					
Cash at bank and in hand		51,090		325	
Creditors: amounts falling due within one year	6	<u>(8,574)</u>		<u>-</u>	
Total assets less current liabilities			<u>42,516</u>		<u>325</u>
Income funds					
Unrestricted funds			<u>42,516</u>		<u>325</u>
			<u>42,516</u>		<u>325</u>

The accounts were approved by the Board on 25.11.08


The Honorable E Young
Trustee

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985.

1.2 Incoming resources

Donations, legacies, Grants and other forms of voluntary income are recognised as incoming resources when received by the charity. All income is shown gross, with associated costs analysed under the relevant cost headings. Grants due in the year, but not received are recognised based on the Charity's entitlement to the grant.

Gifts in kind are recognised in the accounts as a donation received and expenditure incurred. These gifts are recorded at their market value of the service or goods provided.

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

1.3 Resources expended

Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity. This includes costs of the professional services which enable the charity to function.

2 Incoming resources from charitable activities

	2007	2006
	£	£
Grants	<u>68,234</u>	<u>-</u>

**CLIENTEARTH (FORMERLY EARTHRIGHTS: THE ENVIRONMENTAL
LAW AND RESOURCE CENTRE)
COMPANY LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2007

3	Total resources expended	2007	2006
		£	£
	Costs of generating funds		
	Costs of generating grants	9,305	-
	Charitable activities		
	<u>Charitable activities</u>		
	Activities undertaken directly	7,594	-
	Governance costs	9,144	-
		<u>26,043</u>	<u>-</u>

4 Trustees

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

5 Employees

There were no employees during the year.

6 Creditors: amounts falling due within one year

		2007	2006
		£	£
	Accruals	8,574	-
		<u>8,574</u>	<u>-</u>

7 Related parties

During the year the charity received grants of £48,234 (2006: £nil) from The McIntosh Foundation, a foundation in which the trustees M McIntosh and W McIntosh are trustees.