

**THE CLIMATE CHANGE ORGANISATION**

t/a  **CLIMATE GROUP**

**Annual Report and Accounts 2022/23**  
**12 months to 30 June 2023**

**COMPANY NUMBER: 4964424**  
**CHARITY NUMBER: 1102909**

# Board of Trustees' Report

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Hon. Mike Rann AC, CNZM

## A message from our Chair

Around the world people are experiencing in real-life the impacts of climate change for which scientists have been warning us for years. The experts, for so long derided, are now repeatedly vindicated. Around the world, temperature-records are being broken with increasing regularity.

Prolonged droughts are causing deadly famines in countries such as Ethiopia and Somalia. Latin America is facing the serious consequences of water shortages, and ferocious wildfires have caused devastation in Canada, the US and Europe - while in the Southern Hemisphere, Australia is again bracing for a perilous, hot dry summer. The world has been shocked by tragic floods in countries ranging from Pakistan to Greece and Australia, and by the increasing regularity of hurricanes and other extreme weather events.

“Once in a hundred-year events” have become far too familiar and far too frequent to us all. The human and economic cost are devastating and will get worse. Meanwhile glaciers and arctic ice are receding at record rates, with giant chunks of ice shelf shearing off. We are in dangerous territory.

Yet whilst climate deniers have lost any credibility and are on the run, like the tobacco industry before them, the fossil fuel industry has switched from denial to delaying tactics.

It's true that there have been significant advances. Clean investment is overtaking investment in fossil fuels. The US, China and the EU are investing hundreds of billions in green technology, renewables and energy security, and emissions in the US and Europe are trending downward. And we have seen great achievements by sub national governments and committed businesses, many of them our Climate Group members and associates.

But the window of opportunity is closing, and climate action is not moving anywhere near fast enough. Last year's COP27 in Egypt was a huge disappointment and some governments, including the UK's, are now backing away from their own key commitments, and are approving new fossil fuel exploration. And too many companies are also still not fully committed to their clean energy transition.

That's where the Climate Group comes in. 2024 will be our 20th anniversary. Headquartered in London we operate around the world, with offices in New York, Amsterdam, New Delhi and Beijing. We work with engaged governments and hundreds of committed corporations to drive greater ambition and faster results.

We encourage active collaboration and accountability, we drive policy change, we support governments, and we work with businesses to achieve net zero energy, steel, concrete, buildings and infrastructure, and electric vehicle rollout. I'm proud that our members have cut their emissions by 380 million metric tonnes of CO<sub>2</sub>, more than all GHG emissions of California in 2020.

And we drive impact and engagement with climate leaders through our events. Not just through Climate Week NYC, the biggest annual event of its kind with some 585 events this September, but also in Singapore and Washington. With COP28 in Dubai coming up, at the halfway point between the Paris Agreement and the 2030 emissions targets, the stakes could not be higher, as the fossil fuel industry will no doubt once again flood the UN talks with lobbyists pressing for more delays.

As Climate Group grows in scope and impact globally, it can continue to be proud of its impact, but also its commitment to the highest standards of governance, financial probity and accountability. We are a bridge between government and business – collaboration and transparency are at the core of our credentials. They have to be. We are redoubling our

commitment to assist our partners to raise their climate ambitions with results that make a difference to our world.

As Climate Group Chair I would like to congratulate our CEO Helen Clarkson and her team on their tireless advocacy for our great cause. Building diverse and active networks of collaboration is both complex and hard work. I would also like to thank our board for their support and wise counsel, and acknowledge the great collaboration with our North American board and operations, chaired by Governor Bill Ritter, in helping to make Climate Week NYC the most important climate event of the year after COP.

We can. We will drive climate action, and we are doubling down on our commitment to doing so.



**Helen Clarkson**  
Chief Executive Officer

## A message from our Chief Executive

This summer, deadly wildfires, heatwaves and rising sea temperatures reminded us that the impacts of climate change are upon us, and that there is no time to waste in taking action. Parts of Hawaii, Greece and Canada burned, heatwaves and smoke kept people indoors, and marine life suffered.

As that reality hit home, fossil fuel companies eagerly banked record profits, partly as a continued fallout of the war in Ukraine and countries scrambling for energy security. The profits went to their shareholders instead of being invested in renewables.

It wasn't pretty.

You would hope that the grim reality of climate change, and the science behind it, would speed up action across the globe, yet many governments are moving slowly.

We're in what I call the 'messy middle' – a phase where the low-hanging fruit has been picked, and now we need to push through to tackle sticky regulations, urge slow-to-respond governments and companies to move faster, and go head-to-head with companies and people that are protecting vested interests.

It's against that backdrop that our work, and our impact, has become more important than ever. We must be relentless, and I'm proud to say we have been just that, over the past year. Our 100 and Zero initiatives, and our work with states and regions through the Under2 Coalition have continued to grow. We've restructured our Government and Policy work to drive even more international impact with governments, and we built on three key events throughout the year to do what we do best – bring relevant decision makers from the world of business and politics together to drive action and impact.

September 2022 saw the first in-person Climate Week NYC since the pandemic, and I felt the energy buzzing across the rooms in New York. 2023 brought on our first fully face-to-face US Climate Action Summit in Washington, and our inaugural Climate Group Asia Action summit in June. In Singapore, we brought Asian leaders together, to drive change in the Industry and Energy sectors across the region.

The atmosphere during those summits, and the eagerness to go from commitment to action, was palpable. The fact that we welcomed our first Chinese company into our SteelZero initiative to demand net zero steel from suppliers was a huge win, and a reminder that there is simply no scenario in which we can tackle climate change without China on board.

Our work is about driving impact, and in this report, we highlight where and how we did that, over the past year. Our members put hundreds of thousands of EVs on the road. We landed policy messaging around corporate access to renewable energy with the South Korean government, and many of our RE100 members are bringing their targets to go 100 percent renewable forward by years. And then we had the STARRS project, tracking emissions at ground level through satellite data, other sources and AI, helping 6 pilot regions to plug the gaps in their emission data.

I'm convinced that this impact, achieved by collaborating with our innovating members, the decision makers that come to our events, our sponsors, and our funders, will shift the needle in accelerating the transition to net zero. Together, we can, and we will push through this messy middle we're in.

# 1. Objectives and activities

## About us

Climate Group is an international non-profit, publicly launched in 2004, with offices in London, Amsterdam, Beijing, New Delhi, and New York. Our mission is to drive climate action, fast. Our goal is a world of net zero carbon emissions by 2050, with greater prosperity for all. We do this by forming powerful networks of business and government, unlocking the power of collective action to move whole systems such as energy, transport, the built environment, industry, and food to a cleaner future. Together, we're helping to shift global markets and policies towards faster reductions in carbon emissions.

## What we do

Three factors make us unique:

- **Scale:** We power large networks and hold each organisation accountable.
- **Speed:** We focus on action now — not action tomorrow.
- **Collaboration:** We know who needs to work together to get things done.

## How we do it

- **We make it happen:** we convince, challenge and help organisations to make commitments, then turn them into action.
- **We multiply it:** we build and run networks. We join up organisations to unlock the power of collective action that shares the same ambitions and creates influence.
- **We shout about it:** we share what we achieve together to show more organisations what they could do.

We work with leaders and decision-makers from business and government because they shape the market frameworks that can help the world achieve net zero emissions by 2050 or earlier. They have the tools and influence to make it possible in the time we have left.

## Our objectives and key initiatives

This year was the third of our current four-year strategy – our four key strategic goals for this period are set out below. Our focus is on changing key systems of the world where we can drive the deepest emissions cuts, using our theory of change. We are also continuing to build our organisation in order to be able to deliver our ambitions.

### Make vital systems of the world economy compatible with a net-zero future

We will drive deep, rapid emissions cuts from business and government across the energy, built environment, industry, transport and food systems.

### Develop and leverage solutions which create maximum, measurable impact

We will drive ambitious delivery to achieve net zero emissions whilst ensuring greater prosperity for all, through leveraging relationships with sub-national and national governments, and multilateral governmental organisations. We'll use the right tools to drive action and innovation, through our policy work, strong advocacy and deep government engagement (particularly with Under2 members).

## Be an inspiring climate influencer

We will convince decision-makers to take faster, bolder action by shaping agendas in the areas we work, constructively challenging and sharing positive stories of how a net-zero future can be achieved.

## Achieve Organisational Excellence

We will be highly effective across all our operations – providing value to funders, maintaining financial strength and ensuring Climate Group is a rewarding, supporting and fun place to work.

In line with the focus on key systems, we have taken forward the following initiatives.

| Initiative                                   | Description   |
|--|---|
| <b>Energy</b>                                |   |
| <b>RE100</b>                                 | A global initiative of influential businesses committed to 100% renewable electricity, working to massively increase demand for – and delivery of – renewable energy.                                     |
| <b>Industry</b>                              |   |
| <b>SteelZero</b>                             | A global initiative, in partnership with ResponsibleSteel, to build a group of leading companies committed to the responsible sourcing and production of steel.   |
| <b>ConcreteZero</b>                          | A global initiative, in partnership with the World Green Building Council to build a group of leading companies committed to the sourcing of net zero concrete.   |
| <b>Transport</b>                             |   |
| <b>EV100</b>                                 | A global initiative of forward-looking companies committed to accelerating the transition to electric vehicles (EVs) and making electric transport the new normal by 2030.                                |
| <b>EV100+</b>                                | An initiative of companies committing to transition their fleet of vehicles over 7.5 tonnes, known as medium- and heavy-duty vehicles (MHDVs), to zero emission by 2040 in OECD markets, China and India. |
| <b>Zero Emission Vehicle (ZEV) Community</b> | Our ZEV Community initiative brings together all levels of governments to share and learn about exciting ZEV initiatives taking place around the world.   |
| <b>Built environment</b>                     |   |
| <b>EP100</b>                                 | A global initiative of energy-smart companies committed to using energy more productively, to lower greenhouse gas emissions and accelerate a clean economy.  |
| <b>Food</b>                                  |   |
| <b>Alliance for Regenerative</b>             | Introducing sustainable agriculture and livestock practices to recover and regenerate forests in the Peruvian Amazon and  |

| <b>Initiative</b>                       | <b>Description</b>   |
|---|--|
| <b>Ranching in the Peruvian Amazon</b>  | contribute to local economic development. A pilot project involving Under2 Coalition member, Madre de Dios, Peru.  |
| <b>Cross-cutting projects</b>           |  |
| <b>Net-Zero Futures Policy Forum</b>    | An initiative disseminating today's best climate policies and developing new policies to ensure full decarbonisation by Under2 governments.  |
| <b>Under2 Secretariat</b>               | Providing executive support for the Under2 Coalition including working with the Co-Chairs to develop strategy, set its ambition, deliver peer to peer learning, manage future programme development, and to drive the public profile of the Coalition through events and communications.   |
| <b>Climate Week NYC</b>                 | Our premier annual international summit in New York and a key moment in the global climate calendar, convening climate leaders from business, government and civil society to showcase amazing climate action and engage on how to do more.  |
| <b>US Climate Action Summit (USCAS)</b> | <p>The US Climate Action Summit unites key leaders in business, politics and advocacy to drive US climate momentum during Earth Week.</p> <p>Our goal for the US Climate Action Summit is to create a participant-led platform that drives measurable outcomes on climate policy and business action, with attendees at the heart of the agenda.</p> |
| <b>Climate Group Asia Action Summit</b> | Convening our powerful networks in the fastest growing economic region on earth to ask: how can Asia become the green economic powerhouse of the future?   |

## 2. Achievements and performance

### Impacting systems - Making vital systems of the world economy compatible with a net zero future

At Climate Group, we pride ourselves on accelerating action and impact. We push state and regional governments to rapidly cut emissions across key systems, and to unlock climate finance that will help build resilient communities now and in the future. With our corporate members, often frontrunners in their sectors, we drive action in systems where together we can have the highest impact: energy, transport, industry, built environment and food.

In each of these systems we use the power of **demand** as a primary driver of change. We inspire and support businesses to set clear targets and commitments to buy zero carbon products and services, and aggregate this with the power of public procurement. The message to suppliers: “If you make it, we’ll buy it”.

And we keep our members to their commitments – they are required to report on their progress annually. That is why 2023 saw the publication of progress and insight reports for our initiatives RE100, EP100 and EV100, with major progress in the delivery against corporate commitments in each of these areas. And while the decarbonisation of steel is complex, members of our SteelZero initiative have nonetheless **publicly committed** to transitioning to low carbon steel, taking a leadership role in driving change.

These commitment initiatives directly impact **emissions reductions**, as companies turn their commitments into action at scale and speed. For example, the corporate members of our RE100 initiative members reported consuming 376 TWh of electricity – that’s more than the electricity consumption of the United Kingdom, or around 1.5% of global electricity consumption. And by the close of 2021 these companies were buying 49% of their electricity from renewable sources.

We urge our members to continue to build their ambition, and with success. Through RE100’s Increasing Ambition project, 15 new and prospective members of RE100, with a total annual electricity consumption over 14 TWh, answered our call by bringing forward their target years for 100% renewable electricity from 2050 to 2040. Some nine existing members have brought their target years forward by an average of eight years demonstrating strong momentum on renewable ambition.

Our 125 EP100 members have been delivering on their energy efficiency promises as well, as they reported \$1.2 USD billion in cumulative cost savings to date – since the implementation of energy efficiency measures. In 2022, three of our members achieved their energy efficiency targets and 81% of members are ahead of schedule. Together, they reduced their energy consumption by 380 million metric tonnes of CO<sub>2</sub>e – more than the current annual emissions of Denmark, Italy and Portugal combined.

#### [Impact highlight]

*When it comes to Transport, the fastest-growing contributor to climate change, accounting for [around one-fifth \(21%\)](#) of global carbon dioxide emissions, Climate Group and its EV100-initiative have pushed impact to new levels. Around 130 members across 100 markets have committed to use a combined 5.75 million electric vehicles, with well over 400,000 of these EVs already on the road. In addition, they have installed 30,000 individual charging units across 72 markets worldwide, with commitments to install infrastructure at over 6,000 sites globally by the end of the decade.*

In the second half of 2022 we proudly added two new initiatives to our portfolio: in July 2022 we launched ConcreteZero, which drives the demand for low carbon concrete. And at Climate Week NYC 2022, we launched EV100+, an initiative that focuses on the electrification of company fleets of medium and heavy-duty vehicles, which make an outsize contribution to global emissions. New joiners to EV100+ included Geopost/DPD Group, Maersk, JSW Steel, Ikea and Unilever.

The market-demand generated by Climate Group's initiatives has further ripple effects, which we seek to accelerate in priority sectors and geographies. By publicly communicating the scale of ambitious business demand, Climate Group and its members define and shape what counts as **leadership across systems and geographies**.

This sets benchmarks for approaches to net zero procurement, which are then reinforced through standards and guidelines. The confidence in this established and trusted way of working was exemplified by US \$900,000 worth of funding we secured from Climate Imperative Foundation in FY 2022/23, to drive the transition to net zero steel in the Korean and US markets, and help drive the acceptance of ResponsibleSteel standards.

**[Impact – highlight]**

*SteelZero has around 36 members. As our initiative grew and shifted its strategic focus, South Korea came into view as a key market. It's the sixth largest steel producer in the world, the top 15 carmakers globally buy South Korean steel, and it's the number one shipbuilding economy. The choices of this country truly can tip the scales in Asia, a key continent for steel decarbonization, and across the globe. Our CEO Helen Clarkson contributed a keynote speech at the fifth international seminar on carbon neutrality and energy policy of the Korea Chamber of Commerce & Industry (KCCI) in March 2023. This accelerated ongoing SteelZero recruitment conversations with Korean businesses, and placed Climate Group at the centre of high-level policy debates on issues including the role of nuclear power in the renewable energy transition.*

Demand also influences the direction and pace of **supplier innovation** by encouraging the development and scale-up of zero carbon solutions – for example, accelerating auto companies' investment in EV platforms and bringing forward the end-date for manufacturing fossil fuel powered vehicles. And demand motivates **finance** – ramping up investment in zero carbon technologies of the future as well financial innovations that support the procurement of low carbon solutions today.

**[Impact - highlight]**

*In October 2021, British Steel announced that it would be adopting science-based targets, in large part due to the demand from its customers: UK construction companies that had recently become members of SteelZero. Since that announcement, British Steel has been part of a study that helped identify ways to cut carbon emissions by improving waste heat recovery from furnaces. In 2022, in the UK it welcomed plans for green hydrogen production and it entered into a partnership to supply steel and skills for the world's largest project for bioenergy with carbon capture and storage.*

Perhaps most significantly for our work, the aggregated demand from business can drive **policy changes and so help break down barriers to action**. We engage in markets in which by changing the rules of the game, we can accelerate further action across demand, supply and finance actors. Our work on ZEV Mandates and CO2 standards as two policy tools for setting increasingly stringent targets for car makers ahead of a complete ban on the sale of petrol and diesel cars, is just one example.

### **[Impact-Highlight]**

*Earlier this year, RE100 saw the need to accelerate progress in South Korea. We worked with experts and RE100 members to develop a set of localised policy messages for the Korean government, to increase corporate access to renewable electricity. These messages helped to drive policy changes, enabling South Korean businesses to buy renewable electricity from providers directly, without going through the country's utility company (KEPCO).*

### **Theory of change**

The power of our membership lies in its numbers – in the scale and visibility of the hundreds of household names involved across multiple sectors and geographies. And the power also lies in the calibre of our members' ambition – the depth of engagement we have with them and their goals to accelerate the transition through private sector demand and action. That gives us the scale and gravitas to drive climate action, fast, and it gives our members access to peer-to-peer learning, additional insight and knowledge via our online members' hubs, as well as being part of a large network of frontrunners – large private sector companies that have committed to the transition.

These successes are part of our theory of change – the credibility and impact of our members drives other companies to join, and themselves commit to ambitious targets on renewable energy, electric transport, energy efficiency or low carbon steel and concrete. Between July 2022 and June 2023, we welcomed more than 80 new corporate members, including our first member from China to join SteelZero: CIMC TCREA, which officially signed up during our Climate Group Asia Action Summit.

### **For 2023/2024, we aim to:**

- Develop a campaign focused on moving corporate procurement towards the principles of location and hourly matched clean electricity procurement in order to accelerate the path to a 24/7 carbon-free global electricity system.
- Engage with governments to accelerate development of an ASEAN super-grid, through the Asia Clean Energy Coalition (of which Climate Group is a member).
- Influence international, national and subnational Green Public Procurement through our ConcreteZero and SteelZero procurement principles.
- Launch regional SteelZero taskforces across China, South Korea, Japan and India – to support Asia's leadership role in shaping a cleaner and competitive future for the sector.
- Showcase groundbreaking, innovative use of low carbon concrete across major projects.
- Catalyse a step-change within the global shipping sector's use of steel.
- Drive the uptake of light and heavy-duty electric vehicles through our advocacy work with members of our EV100 and EV100+ initiatives.
- Roll out our roadmap for medium and heavy-duty electric vehicle uptake in India, through corporate pilots and by building dialogue at Federal and state level about the policy frameworks required to enable the transition.
- Increase our activation of EV100 members in Japan and build dialogue with local governments, to engage on policy frameworks required for corporate fleets.
- Launch our Renovation Revolution project to accelerate the retrofitting of buildings in Europe, making them far more energy efficient.

## Impacting governments - Developing and leveraging solutions which create maximum, measurable impact

Time is running out, yet the ambition of national governments and the pace of international negotiations are simply **failing to keep pace** with the urgent action that is needed. There is a gap between what countries say they will do in their NDCs (Nationally Determined Contributions) and the action needed to achieve 1.5°C.

To speed up the impact of governments, we work with subnational states and regions – they have a vital role to play in increasing climate action and meeting national commitments. Around 77% of the world's countries have subnational regional governments, and countries with these regional governments are responsible for over 90% of all greenhouse gas emissions. Action at this level and scale can have a positive impact on most of the world.

It's not just for the sheer potential impact that states and regions are important. They can also work at **scale and speed** to shift policies and markets (through procurement, for example), and they are the **level of government closest to people** to understand the social and community context.

In addition, we see a growing demand for multilevel climate governance to deliver net zero emissions, bringing together states and regions with national governments to drive climate ambition and impact in a coordinated way.

However, the financial means of states and regions within countries are often lacking. When talking to members of the Under2 Coalition, of which Climate Group is the secretariat, accessing and utilising of climate finance is often raised as a priority.

### **[Impact - highlight]**

*To tackle the finance challenge, one of our pilot projects in 2022-23 was [Finance Fit for Change](#), funded by Stiftung Mercator - it looked at understanding more about the issue and find useful ways to tackle it. Among the report's key recommendations was a need to focus more on greener procurement systems, as this is where subnational governments spend proportionately more than national governments. It also highlighted the importance of aligning incentives and regulations for government and business action, and the need for better support for subnational governments in accessing and understanding the full range of climate finance mechanisms.*

As a result of *Finance Fit for Change*, our Governments and Policy team has made climate finance a major priority for the coming year and is working on a further project to help states and regions in this area.

### **Raising ambition and leadership**

Over this past year, state and regional governments have continued to step in and step up, leading the way on climate action. Since our last annual report, many more members have signed the [net zero Under2 MOU](#), and 27 new states and regions joined the Under2 Coalition. New states in India and the US have joined us in initiatives such as [State Climate Fellows](#) and the [Green Recovery Alliance](#). In doing so, they have pledged to reach net zero emissions by 2050 - or earlier - with clear pathways to get there, and are building climate knowledge and capacity along the way. This is vital to our aim of becoming a net zero coalition.

### **Implementation**

We have kept up the focus on capacity building, knowledge sharing and peer learning through the second phase of our multi-year, multi-million [Climate Footprint Project](#) (delivered across four

developing countries: Brazil, Mexico, India and South Africa – supported by the German government's International Climate Initiative), the [ZEV Community](#), the [Just Transition Taskforce](#), and by exploring new satellite technology to provide states and regions with a recent and detailed readout of GHG emissions data. Importantly, 2022 marked the fifth anniversary of the [Future Fund](#), which continues to support states and regions from emerging and developing countries.

**[Impact - highlight]**

*The ZEV Community project is increasing awareness of the benefits of zero emission vehicles globally and emerging economies, creating spaces for discussion with governments globally on various policy priorities and mobilising the Latin America region to put transport at the top of the agenda.*

**Filling in the blanks - transparency**

It's incredibly difficult to reduce emissions without a clear picture of where they come from. Without accurate data, states and regions can't plan, deliver and track targeted action to cut emissions – and often, regions have gaps in their knowledge, or their knowledge isn't up to date.

To address that, we piloted the innovative States and Regions Remote Sensing (STARRS) project, in partnership with Climate TRACE, to provide six state and regional governments with a recent timeseries of GHG emissions using satellite and other remote sensing data with artificial intelligence.

Before joining the project, four of these governments had no official inventory of their GHG emissions after 2017. They had no tangible record of their climate impact over the last six years and they had to base their plans to reduce emissions on out-of-date data. Through the project, the regions were able to fill in gaps in their data and update their climate plans.

**[Impact - highlight]**

*The organisation Climate TRACE, with six members of the Under2 Coalition, has sought to change the gaps in emission data at subnational level. By using publicly and commercially available satellite data, ground- and sea-based physical emissions sensors, government datasets, artificial intelligence and other sources, we could draw a clearer, more up-to-date picture about how and where greenhouse gas is emitted.*

Climate Group and Climate TRACE published a report highlighting the urgent need for accurate and timely GHG emissions tracking to help states and regional governments reach net zero by 2050: [A view from space: Tracking emissions state by state](#). We are looking to scale up the project through new funding opportunities.

**Future Fund**

As mentioned, we celebrated five years of the *Future Fund* this year. The fund ensures state and regional governments of developing and emerging economies can join international climate discussions, share their ideas and insights on a world stage, and take climate action where it matters.

Since 2017, the project has raised US \$1million from Under2 Coalition members and delivered 15 directly funded capacity building projects; supported 21 secondments; welcomed 88 regions from developing and emerging economies to the Under2 Coalition; and enabled 65 regional representatives to join international climate events (e.g. COPs, Climate Week NYC).

The *Future Fund* has helped to level the playing field in international climate discussions by ensuring participation of some of the most overlooked states and regions in the world. Going forward, we are looking to diversify the work and funding streams of this flagship project to scale up its impact and reach.

## Policy

Our *Just Transition Taskforce* fostered peer learning for a group of eleven state and regional governments in early stages of planning domestic policies to support a just transition across major emitting sectors.

And in India, we are building climate knowledge at state level through our initiative with [State Climate Fellows](#) is a powerful way to increase the technical capacity, climate knowledge and strategic positioning of Indian states. The young fellows deployed in several Indian states are playing a pivotal role in championing state climate strategies and ambition via technical and policy inputs.

The initiative is also critical in strengthening the position of the Under2 Coalition in the region, increasing the coalition's impact and footprint, and moving the needle on subnational leadership of the target states.

## Accountability

On the back of the UN High-level Expert Group recommendations report *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions*, the UN Climate Action Team (UNCAT) is working to ensure implementation of the report's recommendations across non-party stakeholder initiatives. The Under2 Coalition Secretariat at Climate Group is working closely with UNCAT to better align subnational net zero goals with key leadership practices, globally.

### For 2023/2024, we aim to:

- Roll out our new strategy with a focus on increasing climate finance and integrating adaptation and resilience into our mitigation work with governments.
- Develop and deepening our work with national governments, in particular multi-level governance between subnational and national governments, to increase ambition and accelerate climate action.
- Ensure prosperity for all by developing new work on green jobs/reskilling as part of a just transition.

## Impacting opinion - Be an inspiring climate influencer

An important part of our theory of change is to convene, and influence, our key audiences. We do this by engaging with our vast network of corporate and government members, by bringing them together at strategic moments and by leveraging their influence – and our own expertise.

### Flagship events

Our flagship events play a key role in that – 2022 marked the year we successfully held our first in person Climate Week NYC since the pandemic. Our agenda focused on interconnected energy, economic and climate crises, the need for accountability from businesses and governments to deliver their commitments, and ensuring equity in the opportunities created. It was the 14th edition, and over the years Climate Week NYC has grown into the biggest annual climate event of its kind.

#### [Impact - highlight]

*In 2022, Climate Week NYC convened 650 leaders from business, government and civil society joining for the Opening Ceremony, 1,070 attendees for the interactive programme The Hub Live, hundreds of events across New York City and thousands following the live streams. We improved on diversity and inclusion measures with around 55% female speakers, and nearly 25% non-white speakers.*

Climate Week NYC was the first – and largest – of our own three flagship events that we held in FY22/23. The other two are US Climate Action Summit in Washington DC – for the first time in-person – and Climate Group Asia Action Summit in Singapore.

The first brought together some 289 leaders in April 2023, with more than 70 percent of C-Suite or senior level, to share ideas on the most pressing climate issue in the US: the implementation of the historic US climate investments.

The first ever Climate Group Asia Action Summit in June 2023, which included the SteelZero Summit and the Green Energy Forum, convened close to 300 leaders from 183 in business, politics and civil society, from 23 countries in the Asia-Pacific region, to talk about barriers and solutions in the Energy and Industry sectors. With the summit, we created a platform for future climate action in Asia, supporting the region in becoming a green powerhouse of the future.

### Influencing systems

Our comms team drove significant progress towards increasing the influence of our programmes particularly in the energy, transport and industry systems. We raised RE100's and Industry's public policy profile in South Korea, a target market where the government is rolling back renewable targets and one of the biggest steel producers and suppliers in the world. A broadcast interview with our Executive Director of Systems Change Mike Peirce secured over 1.8 million hits on YouTube, we've also seen a significant step-up in our media coverage our built environment/EP100 work in Asia and through commenting on EU regulations.

Our EV and EV100+ comms work to influence EU decision-making, and advocating for all new freight trucks to be zero emission from 2035, featured in the FT, The Daily Mail, the Daily Express, and Euractiv – to name a few.

### Marketing change

This year saw the delivery of several significant marketing projects, that are helping us to make the most of our network, engage with our members, and grow out impact. We developed new members hubs, where our members can find updates in their fields of interest, learnings, videos and reports to help them develop in their journey toward net zero. The Hubs saw a major spike in visitor metrics across September.

We delivered and audience-tested a significant infographics campaign on our 100s programmes which proved to be highly effective with prospective new members. We have also refreshed our careers page and developed a new LinkedIn Life page to enhance our employer brand and recruitment. In total, Climate Group now has well over 110K LinkedIn followers, growing by over 40K over the past year.

By continuing to integrate digital marketing into wider campaigns, the engagement with our existing and potential members keeps growing. LinkedIn targeting of prospective company members and the driving of traffic to a recruitment focused webpage is resulting in increased and trackable leads. We have used this approach to target South African companies for RE100, with our new 'What is RE100' video cutting through.

**[Impact - highlight]**

*An integrated comms and engagement campaign asked RE100 members with 2050 target dates to move faster. Five companies have brought their target dates forward, by several decades in some cases, with others considering.*

**Highlighting our government work**

For the Under2 Coalition, of which Climate Group is the secretariat, we continued to drive our work with Regions4 through our #WhatsAtState campaign and responded to the Brazilian election results. In July, the team also supported the launch of ConcreteZero, hosted by Canary Wharf Group. The event attracted large numbers of senior figures from the world of UK built environment, reaching across the supply chain from property investor to cement supplier.

We highlighted our work with states and regions at COP27, where over 40 state and regional governments took part, representing all global regions. As Secretariat of the Under2 Coalition, we organised and showcased a Ministerial meeting discussing the need for greater exposure of state and regional governments in international climate discussions. It concluded states and regions of the Under2 Coalition are an important part of future COPs. The Under2 Coalition joined Committee of Regions, C40, Regions4 and others to call for a greater role for subnational governments so that they are empowered to deliver the aims of the Paris Agreement. State-level political leaders and senior civil servants can more easily make the case to travel to a COP.

We also highlighted the results of two major programmes (more details on the programmes outlined above). The STARRS satellite project was highlighted in a video from Al Gore. Our Finance Fit for Change report was also covered in Business Green and promoted by the UN Climate Champions team.

**New Comms Approach**

At the end of June, we launched a new Corporate Comms Approach – aimed at strengthening our position in the climate space and being bolder to increase influence with our key audiences of decision takers in business and politics. We will achieve that by being 'always on', more of a thought leader and influencer of key audiences and driving a more pro-active, integrated campaign way of working. Aligned to this, we've introduced new, quarterly media performance monitoring and are developing a balanced scorecard for our objectives for next year to account for amount, quality and footprint of our coverage with key audiences.

**For 2023/2024, we aim to:**

- Roll out our new comms approach to drive change across our programmes and influence our key stakeholders in a more integrated and bold way, throughout the year – including through our international offices.
- Further develop Climate Group's unique position in the climate sphere as an always on influencer on the cusp of government and business.

- Further develop our membership proposition and our membership engagement, driving their involvement in our work.
- Build on the strength of Climate Week NYC and further strengthen other owned key events, ensuring they are strategic moments for our work and on the international climate agenda.
- Work on new comms and marketing driven propositions and projects that will help drive new income streams.

## Achieving organisational excellence

### **We have invested to ensure we have the diverse talent required to deliver our goals**

Our people are at the heart of our organisation and we strive to create an inclusive, vibrant and supportive environment. We were pleased to see the actions taken to support staff wellbeing and mental health were positively reflected in the staff survey results.

In response to the continuing cost of living pressures and the highly competitive market for specialist skills we have invested in our reward offering to attract and retain talent. We have continued to upgrade our recruitment brand, broaden our recruitment channels and train our hiring managers to increase reach and success in hiring diverse talent.

### **Expanding our footprint globally to maximise our impact and optimise our strategy delivery**

Our global footprint is enabling us to expand our reach and impact. The operationalisation of our Europe and China offices remained a key focus for us this year and with growing regional teams there we are well-placed to again fully engage in these regions to accelerate climate action.

## **Income**

### *Fundraising*

In Financial Year 22-23 we consolidated recovery from the shocks of the COVID-19 pandemic and the subsequent inflationary spiral which has caused significant budget tightening even in the context of income growth. We have focused on three areas of work to enable long-term planning and growth opportunities as the organisation moves into a new strategy period from 2024-2027. These are:

1. To complete the creation of a corporate business development team capable of activating the full spectrum of options for income generation from our corporate network.
2. To consolidate and streamline the management of our grant income and develop specific approaches for cultivating and stewardship of leadership grantmaking for larger scale and multi-year donations.
3. To develop achievable strategies for ensuring financial sustainability in our regional markets by tailoring fundraising approaches to the individual resource plans and programmatic specialisms of regional teams.

The reorganisation and growth of corporate business development continued to generate positive results. Climate Week NYC 2022 generated record sponsorship, and we were able to grow two other global flagship sponsored events during the financial year – a first fully -in-person US Climate Action Summit in Washington DC in April 2023, and a first summit in Singapore (Climate Group Asia Action Summit) in June. These events both generated excellent revenue results.

In early 2022 we created a new Client Experience division within our business development team, which has supported the continued growth of membership income from our corporate leadership campaigns. In 2023, we created a New Business division as well, and have begun to successfully generate income from corporate foundations as well as for pay-to-play Action Collaborative projects and are developing new corporate leadership products and exploring brand licensing income. These three pillars (Sponsorship, Client Experience, New Business) form the basis from which to grow corporate income in the new Climate Group 2024-27 strategy period.

Grant income has remained Climate Group's largest source of income despite financial pressure on many of our long-standing funding partners. Philanthropic foundation income has remained strong, and particular success has been concentrated in our work on industrial decarbonisation

and in our programs in India. Government grant funding has remained challenging to secure. In the absence of granting opportunities from national governments, we have focused on delivering a successful re-launch of the Under2 Coalition membership scheme, which delivered a 30% increase in membership subscriptions by the end of the financial year, as well as developing a new pay-to-play Net Zero Policy Forum in partnership with the Government of New South Wales and other subnationals.

In support of regional income growth, we secured starter income for our new offices in the Netherlands and China and delivered record grant income in India. Income in North America remained close to historic highs, whilst income in Latin America declined as a result of falling government grant income.

*Our philanthropic supporters included:*

Bloomberg Philanthropies, Climate Catalyst, Climate Emergency Collaboration Group, Climate Imperative Foundation, ClimateWorks Foundation, the Dutch Postcode Lottery, the European Climate Foundation, India Climate Collaborative, Katz Family Foundation, Lloyd's Register Foundation, John D. and Catherine T. MacArthur Foundation, McKnight Foundation, the New York Community Trust, Pooled-Fund on International Energy, Rockefeller Brothers Fund, Shakti Sustainable Energy Foundation, Stiftung Mercator, Stichting SED, Tara Climate Foundation, Tiina and Antti Herlin Foundation, the Urban Mobility Innovation Fund, VoLo Foundation, WattTime Corporation, the We Mean Business coalition and its philanthropic partners, as well as a number of private donors.

*Our government supporters included:*

The Government of Scotland  
The Government of Navarra  
The Government of Wales  
The Government of Baden-Wurttemberg  
The Government of Quebec  
UK PACT (Partnering for Accelerated Climate Transitions)  
The International Climate Initiative (IKI) of the Federal Republic of Germany  
US Department of State  
US Department of Energy  
The Government of New South Wales

**Future plans for the year 2023-24**

- We will continue to deepen climate knowledge and grow management skills through a curriculum of training and curated online content. Our EDI work will focus on a broadening of diversity through recruitment, developing an inclusiveness mindset through facilitated conversations and addressing just transition through our programmatic work.
- Developing and embedding a new Global Research Innovation and Impact team within the fundraising directorate to more efficiently and systematically develop program ideas into propositions for philanthropic or corporate fundraising.
- Consolidating and expanding membership income growth with the launch of membership programmes for SteelZero and ConcreteZero.
- Investing in Climate Group marketing and thought leadership to drive leadership grantmaking opportunities.

### 3. Financial review and strategy

The Statement of Financial Activities (page 32) and the following notes show our full financial results for the year. Financial information in this report relates to both the UK charity (indicated by “Charity” in the accounts) and the consolidated accounts of the UK, the US and India (indicated by “Group”). Figures in this section reflect the consolidated Group figures.

In the 2022/23 financial year, we have reported a £1.1m deficit. This was partly anticipated and driven by our investment in developing our operations in China and the Netherlands, and supporting the renewal of our strategy under new leadership in the US. The result was subsequently impacted by a combination of the delayed confirmation of a major new projects, and higher staffing costs. As a result, our unrestricted reserves have reduced to £2.1m, falling to the lower end of the target range set by the trustees.

#### Income

Our total income for the 2022/23 financial year was £12.9m (2021/22: £11.2m) and as at 30 June 2023 we held £5.9m of deferred income (30 June 2022: £4m).

Our income generation continued to prove resilient through a challenging period for fundraising. The primary sources of income were as follows:

- Government and foundation grant making of £6.3m (2021/22: £6.2m). Some significant long term grant funding agreements ended during the year and securing similar new funding streams proved demanding. However, our diversified portfolio ensured that income levels remained at a similar level to the prior year.
- Sponsorship income for our events including Climate Week NYC plus other smaller events grew to £3.2m (2021/22: £2.3m). Climate Week NYC showed meaningful growth, which was complemented by the successful launch of the US Climate Action Summit.
- Membership and partnership income also showed significant growth reaching £3.2m (2021/22: £2.4m) as the membership campaigns continued to grow. As a more forecastable source of income, this enabled us to progress critical work with confidence in our ability to withstand the impact of external factors.

We continue to grow our network of funding partners and contacts to develop new projects that capitalise on the success of our current programmes and support strategic growth into new areas of work. We have continued to develop work in the food and agriculture space, as well as growing funding partnerships that explore just transition, climate resilience, climate finance and state capacity building for state and regional governments. We will also be seeking to grow regional programme work in the European Union and China, exploiting novel approaches to renovation retrofitting finance in Europe and leveraging auto-makers' net-zero commitments to decarbonise the steel value chain in China.

#### Expenditure

During the accounting period our expenditure totalled £13.9m (2021/22: £11.4m).

Expenditure increased as we invested in our staffing, which was partly offset by a slight reduction in other operating costs. However, these operational savings were masked by a significant and adverse year on year movement in foreign exchange differences, following significant gains in 2021/22, with £0.1m losses in the year (2021/22: £0.5m gains).

The expenditure includes collaborative subgrants to other organisations which included CDP Global, World Green Building Council (WGBC), ResponsibleSteel, World Business Council for Sustainable Development (WBCSD) and the Center for Climate Strategies. These subgrants, which meet our charitable objectives, support the delivery of our programmes.

## Financial position at year-end

The balance of total funds as at 30 June 2023 is at £2.1m (2021/22: £3.1m). The decrease in unrestricted reserves by £1.1m to £2.1m was driven by the deficit in the year. The reserves include an element designated for the new premises, which will reduce as the relevant assets are depreciated. As at 30 June 2023, the remaining designated reserve balance is £0.3m.

Across our global offices, our North America operations have benefitted from increasingly successful income generation from corporate sponsorship at Climate Week NYC since 2015 and the growth of the US Climate Action Summit to become our second largest annual flagship event.

Our Indian operations have continued to expand through restricted grant income supporting delivery of our core initiatives locally. International grant-makers are the primary source of income, though the conditions for international philanthropic investment have tightened in terms of bureaucratic oversight from the Government of India in recent months. Rising transaction costs mean we are looking to grow domestic membership payments, as well as domestic grant-making opportunities.

To support our plans for global growth, we have a growing portfolio of work planned for our EU office based in the Netherlands, which will contribute to global programmes in addition to locally sourced and delivered project work. In particular, the Netherlands is leading our new Renovation Revolution project aimed at supporting companies in access EU financing for energy efficiency retrofits, and will also play a prominent role in our forthcoming work on supporting states and regions with developing smart budgeting and deployment of climate finance.

Following opening our Representative Office in the previous financial year, China forms part of our ambitious plans. Our income pipeline has gathered momentum through 2022/23 and we are building a team to deliver our goals for the region. The focus of grant funding is concentrated in our energy, industry and transport system areas – looking at the decarbonisation of the auto-manufacture / steel production value chain, and well as opportunities for decarbonization of steel in the shipping industry.

### Reserves policy

Climate Group's objective is to seek to maintain unrestricted reserves at a level which would enable the Charity to withstand any short-term financial risks and protect and maintain its long-term viability. The Trustees continue to maintain the target level of unrestricted reserves at 3-6 months of unrestricted expenditure. Whilst we are at the lower end of this range, previously growing our reserves beyond the upper target range enabled us to invest in developing our operations in China and the Netherlands.

As at 30 June 2023, the unrestricted reserves of £2.1m (2021/22: £3.0m), including designated reserves of £0.3m (2021/22: £0.5m), represents approximately 3 months of unrestricted expenditure. The trustees anticipate that we will remain within the target range through achieving a break-even financial result in the forthcoming and subsequent years.

### Going concern

Climate Group, like many charities, is dependent on voluntary contributions from funders and ongoing relationships with our partners to meet its future commitments. Climate Group's strategic planning, annual financial plan and ongoing financial performance review processes include forecasts of income, expenditure and cash flows, which take into consideration the current economic climate and its potential impact on our income streams alongside our planned expenditure.

Global economic uncertainty continues but funders (especially foundations and corporates) continue to support our sector and, whilst we do not foresee any material risk to income in the year to 30 June 2024, we remain vigilant for the need to deploy mitigating actions.

Overall, given the level of reserves, no debt, strong cash flows and robust relationships with partners, donors and funders, we consider Climate Group is well placed to manage the business risks it faces.

The Trustees have a reasonable expectation that the charity has sufficient resources to operate for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of Climate Group to continue as a going concern.

## **Managing principal risks and uncertainties**

The Trustees are responsible for ensuring that major risks facing Climate Group are appropriately managed and that there are effective and adequate risk management and internal control systems in place to manage strategic and operational risks. Our risk management processes outline the approach we use to identify and manage risks. Identified major risks are regularly reviewed and their potential impact assessed. Strategies and controls to manage each risk appropriately are in place, with some subject to continuing improvement and to mitigate any residual level of risk where this is inevitable. The risk register, including reports from quarterly reviews, are reviewed by the Executive Management Team and Finance and Audit Committee. The Board of Trustees annually reviews the risk register, with a further mid-year review following Committee review.

The principal risks identified are:

### **Global Expansion**

We made strong operational progress in embedding our teams in China and the European Union and have reduced our operational risks by working with or hiring local experts to manage the respective legal, HR and compliance risks. We are still working to establish secure funding streams for the regional offices and this is taking longer than expected which has put pressure on our financial position this year. This will continue to be a focus for the leadership team next year.

### **Programme Delivery**

We have refreshed our Under2 strategy and are currently working to align our business development plans to support our new Governments & Policy strategy. As part of the strategy refresh, we have designed a new Under2 Coalition membership offer. We have also increased our ambition in our pledged to reach net zero emissions by 2050 - or earlier - with clear pathways to get there and are building climate knowledge and capacity along the way.

We continue to work to ensure that the increase in the scale and scope of Climate Group's programmatic work does not affect the effectiveness of project delivery which could reduce our impact to accelerate emission reductions.

### **Reputation and Event Portfolio**

Our event portfolio has grown in size, complexity and proportion of our income. As a result, the revenue impact from reputational, delivery or force majeure risks is increasing. We have conducted reviews of all our insurance opportunities and approaches to payments and contracting to mitigate our risks. We are also driving the growth of diverse range of events across our regions to moderate risk to income.

We continue to strengthen our processes and due diligence processes for all our members, partners and sponsorship.

### **People**

We conducted a pay benchmarking review and consequently adjusted the pay bands across our offices to ensure we remain competitive in the current inflationary labour market. We continued to focus on strengthening our employee value proposition and updated our recruitment and onboarding process to be able to attract top talent.

## 4. Structure, governance and management

### Structure

The Climate Change Organisation, which is known as and trades as Climate Group, is a company limited by guarantee registered in England and Wales under company number 4964424 and charity number 1102909. It was incorporated in November 2003 and gained charitable status in March 2004. Climate Group's statutory objects and powers are established in a Memorandum of Association, and the company is governed under its Articles of Association.

Climate Group is also represented by legal entities in the US, India and the Netherlands, with a Representative Office in China, which enables us to hire staff and raise and direct funds towards our work internationally. These legal entities work closely with the UK charity, with local board positions for members of our Board of Trustees and Executive Management Team strengthening international relationships. Our head office's relationship with the regional offices is underpinned by legal agreements, which cover co-ordination of work programmes and licensing of the name and trademarks to the regional representatives.

### Board of Trustees

The members of the Board of Trustees are Directors for the purpose of company law and Trustees for the purpose of charity law. Members of the Board who served during the period and up to the date of this Report are set out below.

The Climate Group Board of Trustees currently comprises nine unpaid Trustees, who are also the Directors of the company limited by guarantee. The Memorandum and Articles of Association provide that Trustees may be elected to serve for three years and can be re-elected for a second term. After six years, Trustees must take a minimum 12 months' break before being eligible for re-appointment. Trustees meet quarterly, with additional meetings if required, and delegate the day-to-day operations of the organisation to the Executive Management Team headed by the Chief Executive. All Trustees give of their time freely and no remuneration was paid in the year.

#### Chair

Michael Rann (Global Nominations and Governance Committee - Chair)

#### Members

Zoë Ashcroft (Deputy Chair) (Global Nominations and Governance Committee - Member)

Andrew Clark (Finance and Audit Committee - Chair)

Jeffrey B. Gracer

James Hall-Smith – appointed February 2023 (Finance & Audit Committee - Member)

Mayumi Omi

Joanne Parker – appointed February 2023

Amber Rudd (Board EDI sponsor)

Jonathan Williams – appointed July 2023

*Retired during the year*

Viki Cooke (March 2023)

*Retired post year-end*

Victoria Keilthy (July 2023)

#### Trustee recruitment and induction

The Trustees look for a range of skills for representation on the Board when recruiting and appointing new Trustees, including familiarity with the ways that leading businesses and

governments should respond to climate change. Our current Board includes members with finance, communications, business, government and legal expertise.

The induction of new Trustees is tailored to the skills, knowledge and expertise of each individual. Our Chair and Chief Executive brief new Trustees on recent progress, future plans, legal structure and finances, as well as Trustees' obligations in their role. Trustees also meet with members of the Executive Management Team to fully understand Climate Group's programmes, and the systems and processes which support them. Wherever possible we also encourage prospective Trustees to observe one or two Trustee Board meetings to familiarise themselves with our work before formal election.

### **Board committees and working groups**

The Board is supported by committees and steering and working groups. The **Finance and Audit Committee**, which meets quarterly, and more frequently if required, has oversight of our finances, budgeting and fundraising performance, considers our risk management plan, reviews and recommends remuneration strategies and policies and meets with and obtains reports from the organisation's auditors.

The **Global Nominations and Governance Committee** is comprised of board members from both our UK and US boards, and meets as required to review the structure, size and composition (including the skills, knowledge, experience and diversity), and give full consideration to succession planning, of each of Climate Group's boards and any advisory groups, and to consider specific organisational governance requirements.

Our **Global Risk Management Committee** is comprised of board members from both our UK and US boards and meets as and when required to consider risks associated with the receipt of charitable donations and sponsorship for events run by Climate Group.

The **Climate Week NYC Board Steering Group** meets monthly, is comprised of members from both our UK and US boards, and provides strategic oversight on our annual key event, Climate Week NYC.

## **Executive Management Team and Scheme of Delegation**

The Trustees have set out a scheme of delegation. While retaining overall responsibility for Climate Group, ensuring it is solvent and well run, its assets are safeguarded, it complies with relevant laws and regulations and it delivers its charitable objects, the Trustees delegate some matters to the Chief Executive and thereon to the Executive Management Team, member details of which can be found below.

The key matters delegated by the Trustees to the Chief Executive are the formulation and proposing of the organisation's strategic plans, annual budget and policy approaches; the implementation of the strategy; the day-to-day management and operationalisation of all work and programmes; and the implementation of decisions of the Board. The scheme of delegation is reviewed periodically.

Chief Executive – Helen Clarkson, OBE

Chief Operating Officer – Ana Mates

Executive Director, Under2 and Solutions – Tim Ash Vie (to October 2022)

Executive Director for Governments and Policy – Champa Patel (appointed January 2023)

Executive Director, Development – David Mole

Executive Director, Communications – Luke Herbert

Executive Director, Finance and IT – Alex Moore

Executive Director, Systems Change – Mike Peirce

## Statement of Trustees' responsibilities

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company; and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

### Provision of information to auditors

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as he/she is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Fundraising code

Climate Group is registered with the Fundraising Regulator. Although we do not undertake any street, door-to-door or private site fundraising, and do not engage with commercial partners or volunteers to raise funds on our behalf, we work to ensure that those fundraising activities we do undertake comply with the law and regulations as it applies to charities and fundraising.

We also take our responsibilities to protect vulnerable people seriously and where any fundraising activities involve vulnerable people, we follow relevant guidance.

During the reporting period, Climate Group received no fundraising complaints from members of the public.

## Remuneration policy

The salaries of Climate Group staff are periodically benchmarked against comparable organisations, including other charities. Climate Group aims to set salaries equivalent to the median for such organisations. All posts are evaluated based on agreed, organisation-wide criteria that determine the grade and salary for the post.

## Public benefit

The Trustees confirm that they have referred to the information contained in the Charity Commission's guidance on public benefit when reviewing Climate Group's aims and objectives, and in planning activities and setting policies and priorities for the year ahead.

All of our initiatives, activities and strategies described in this report further Climate Group's charitable objects (a) by helping to protect the world's climate systems through actions that directly or indirectly cut greenhouse gas emissions and (b) by educating the public and interested parties through events, briefings and the publication of freely available reports that track progress of the action undertaken through our programmes and that identify and explain how more can be done.

The Trustees' Report was approved by the Board of Trustees on 11 December 2023 and was signed on its behalf by:



**Hon. Mike Rann AC, CNZM**  
Chair of the Board of Trustees

## Key people and advisors

The information shown below pertains to the period between 1 July 2022 and 11 December 2023, the date of the signing of the accounts.

### Registered office

The Clove Building  
4 Maguire Street  
London  
SE1 2NQ

### Executive Directors, regional offices

- Angela Barranco, Executive Director, NA (The Climate Group, Inc.)
- Divya Sharma, Executive Director, India (TCCO India Projects Pvt Ltd)
- Yuming Hui, Executive Director, China (Representative Office Beijing)

### Directors of our Regional Boards

#### The Climate Group, Inc.

- Zoë J. Ashcroft
- Helen Clarkson
- Gary Doer
- Ariane de Vienne
- Jeffrey B. Gracer
- Joseph M. Kinard
- Douglas P. Lawrence
- Mary Nichols
- Bill Ritter (Chair)

#### TCCO India Projects Pvt. Ltd

- Helen Clarkson
- Divya Sharma (Wholetime Director and Chair)

#### Stichting Climate Group Europe

- Helen Clarkson
- Jeroen Gerlag
- Maria Anna Van Keep - Chair (March 2023)

### Principal Professional Advisers

#### Bankers

HSBC Bank plc  
34 High Street  
Walton-on-Thames  
Surrey KT12 1DD

#### Auditors

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

## 5. Audited accounts

### Independent auditor's report to the members and trustees of The Climate Change Organisation

#### Opinion

We have audited the financial statements of The Climate Change Organisation ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2023 which comprise the consolidated statement of financial activities, the balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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 are independent of the charitable group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating 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 charitable company's or the group'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 contained within the annual report. 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 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our 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 included within the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities statement set out on page 25, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 based on these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), anti-fraud, bribery and corruption legislation, taxation legislation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

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



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

21 December 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE GROUP (INCLUDING AN INCOME & EXPENDITURE ACCOUNT)

For the year ended 30 June 2023

### Consolidated statement of financial activities

|  | Notes | Restricted       | Unrestricted       | Year ended<br>30 June<br>2023 | Year ended<br>30 June<br>2022 |
|--|-------|------------------|--------------------|-------------------------------|-------------------------------|
|  |       | £                | £                  | £                             | £                             |
| <b>Income from:</b>                                  |       |                  |                    |                               |                               |
| <i>Donations and legacies</i>                        |       |                  |                    |                               |                               |
| Donations & similar funding                          |       | -                | 142,067            | <b>142,067</b>                | 254,828                       |
| Grants   | 2     | 5,479,070        | 888,384            | <b>6,367,454</b>              | 6,303,894                     |
|  |       | <u>5,479,070</u> | <u>1,030,451</u>   | <u><b>6,509,521</b></u>       | <u>6,558,722</u>              |
| <i>Charitable activities</i>                         |       |                  |                    |                               |                               |
| Membership and partnership income                    |       | -                | 3,175,693          | <b>3,175,693</b>              | 2,375,697                     |
| Sponsorship and other                                |       | -                | 3,179,906          | <b>3,179,906</b>              | 2,301,746                     |
|  |       | <u>-</u>         | <u>6,355,599</u>   | <u><b>6,355,599</b></u>       | <u>4,677,443</u>              |
| <b>Total income</b>                                  |       | <u>5,479,070</u> | <u>7,386,050</u>   | <u><b>12,865,120</b></u>      | <u>11,236,165</u>             |
| <b>Expenditure on:</b>                               |       |                  |                    |                               |                               |
| <i>Raising funds</i>                                 |       |                  |                    |                               |                               |
|  |       | -                | 1,706,104          | <b>1,706,104</b>              | 1,260,953                     |
| <i>Charitable activities</i>                         |       | 5,479,070        | 6,739,743          | <b>12,218,813</b>             | 10,182,755                    |
| <b>Total expenditure</b>                             | 3     | <u>5,479,070</u> | <u>8,445,847</u>   | <u><b>13,924,917</b></u>      | <u>11,443,708</u>             |
| <b>Net income</b>                                    |       | <u>-</u>         | <u>(1,059,797)</u> | <u><b>(1,059,797)</b></u>     | <u>(207,543)</u>              |
| Transfer between funds                               |       | (86,277)         | 86,277             | -                             | -                             |
| <b>Other recognised gains and losses</b>             |       |                  |                    |                               |                               |
| Gain / (Loss) on revaluation of foreign subsidiaries |       |                  | (280)              | <b>(280)</b>                  | 10,057                        |
| <b>Net movement in funds</b>                         |       | <u>(86,277)</u>  | <u>(973,800)</u>   | <u><b>(1,060,077)</b></u>     | <u>(197,486)</u>              |
| Reconciliation of funds:                             |       |                  |                    |                               |                               |
| Total funds brought forward                          |       | 86,277           | 3,037,440          | <b>3,123,717</b>              | 3,321,203                     |
| <b>Total funds carried forward</b>                   | 11    | <u>-</u>         | <u>2,063,640</u>   | <u><b>2,063,640</b></u>       | <u>3,123,717</u>              |

All the above results derive from continuing activities. There are no gains and losses other than those disclosed above.

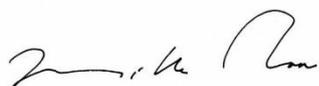
As at 30 June 2023

**Balance sheet**

|   | Notes | Group<br>30 June<br>2023<br>£ | Group<br>30 June<br>2022<br>£ | Charity<br>30 June<br>2023<br>£ | Charity<br>30 June<br>2022<br>£ |
|---|-------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| <b>Fixed assets</b>                                   |       |                               |                               |                                 |                                 |
| Tangible fixed assets                                 | 7     | <b>267,293</b>                | 391,059                       | <b>251,096</b>                  | 375,334                         |
| Investments   | 8     | -                             | 86,277                        | <b>10,770</b>                   | 97,047                          |
|   |       | <b>267,293</b>                | 477,336                       | <b>261,866</b>                  | 472,381                         |
| <b>Current assets</b>                                 |       |                               |                               |                                 |                                 |
| Debtors   | 9     | <b>3,286,733</b>              | 2,462,639                     | <b>2,871,730</b>                | 1,933,631                       |
| Cash at bank and in hand                              |       | <b>6,229,011</b>              | 5,584,268                     | <b>5,693,305</b>                | 5,075,188                       |
|   |       | <b>9,515,744</b>              | 8,046,907                     | <b>8,565,035</b>                | 7,008,819                       |
| <b>Creditors:</b> amounts falling due within one year | 10    | <b>(7,719,397)</b>            | (5,400,526)                   | <b>(6,481,256)</b>              | (4,183,184)                     |
| <b>Net current assets</b>                             |       | <b>1,796,347</b>              | 2,646,381                     | <b>2,083,779</b>                | 2,825,635                       |
| <b>Net assets</b>                                     | 11    | <b>2,063,640</b>              | 3,123,717                     | <b>2,345,645</b>                | 3,298,016                       |
| <b>Represented by</b>                                 |       |                               |                               |                                 |                                 |
| Restricted funds                                      |       | -                             | 86,277                        | -                               | 86,277                          |
| Unrestricted funds – General                          |       | <b>1,728,640</b>              | 2,537,440                     | <b>2,010,645</b>                | 2,711,739                       |
| Unrestricted funds – Designated                       |       | <b>335,000</b>                | 500,000                       | <b>335,000</b>                  | 500,000                         |
| <b>Total funds</b>                                    | 12    | <b>2,063,640</b>              | 3,123,717                     | <b>2,345,645</b>                | 3,298,016                       |

The net movement in funds for the charity only for the year was negative £952,371 (2022: £6,063).

The accounts on pages 32 to 50 were approved by the Board of Trustees and authorised for issue on 11 December 2023 and signed on its behalf by:



**Hon Mike Rann AC, CNZM**  
Chair of the Board of Trustees

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2023

### Consolidated cash flow statement

|  | Year ended<br>30 June<br>2023<br>£ | Year ended<br>30 June<br>2022<br>£ |
|--|------------------------------------|------------------------------------|
| <b>Cash flows from operating activities:</b>                       |                                    |                                    |
| <b>Net cash provided by operating activities (Note a)</b>          | <b>677,165</b>                     | <b>76,257</b>                      |
| <b>Cash flows from investing activities:</b>                       |                                    |                                    |
| Payments to acquire tangible fixed assets                          | (32,421)                           | (418,052)                          |
| <b>Change in cash and cash equivalents in the reporting period</b> | <b>644,744</b>                     | <b>(341,795)</b>                   |
| Cash and cash equivalents at the beginning of the year             | 5,584,269                          | 5,926,064                          |
| <b>Cash and cash equivalents at the end of the year</b>            | <b>6,229,013</b>                   | <b>5,584,269</b>                   |

### Note to the cash flow statement

#### Reconciliation of net income to net cash provided by operating activities

|  | Year ended<br>30 June<br>2023<br>£ | Year ended<br>30 June<br>2022<br>£ |
|--|------------------------------------|------------------------------------|
| <b>Net income for the year</b>   | <b>(1,059,797)</b>                 | <b>(207,543)</b>                   |
| <b>Adjustments for:</b>  |                                    |                                    |
| Depreciation charges   | 150,721                            | 45,270                             |
| Investment income  | 86,277                             | -                                  |
| Foreign exchange differences, excluding gains arising on revaluation of fixed assets | 5,187                              | 8,200                              |
| (Increase)/ Decrease in debtors  | (824,094)                          | (562,045)                          |
| Increase / (Decrease) in creditors   | 2,318,871                          | 792,376                            |
| <b>Net cash provided by operating activities</b>                                     | <b>677,165</b>                     | <b>76,258</b>                      |

### Notes to the accounts

#### 1. Accounting policies

##### a) Basis of accounting

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

The statement of financial activities (SoFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings (see Note 16). The results of the charity and its subsidiaries are consolidated on a line-by-line basis. No separate SoFA has been prepared for the charity alone as permitted by Section 408 of the Companies Act 2006.

##### *Going concern*

Climate Group, like many charities, is dependent on voluntary contributions from funders and ongoing relationships with our partners to meet its future commitments. Climate Group's planning and performance review processes include financial projections of income, expenditure and cash flows that take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Climate Group is well placed to manage the business risks it faces given its level of reserves, no debt, a good cash flow and strong relationships with partners, donors and funders. The Trustees have a reasonable expectation that the charity has enough resources to operate for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of Climate Group to continue as a going concern. The accounts have been prepared on that basis.

##### *Public benefit entity*

The charitable company meets the definition of a public benefit entity under FRS 102.

##### *Sources of estimation uncertainty*

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### b) Income

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

**Donated services and gifts in kind** are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based upon their contribution to the charity.

**Membership and partnership income** is recognised in the financial statements evenly over the period to which the fee relates.

**Grants and donations** are credited to income when received or receivable whichever is earlier unless time restricted or performance related in which case they are deferred until these conditions are met.

## Notes to the accounts

### c) Expenditure

Costs allocated to Raising Funds are those costs incurred in the charity seeking primarily donations and grants.

Expenditure recognised in the period in which a legal or constructive obligation to a third party is created. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is allocated to a particular activity where the cost relates directly to that activity. Support costs are apportioned to activities based on staff time, which is an estimate of the amount of effort attributable to each activity.

Note 3 shows how support costs have been allocated to each activity.

Grant payments to organisations are recognised as expenditure in the financial statements once the Charity is satisfied that the conditions have been met to release the payment.

### d) Investments

Investments are a form of basic financial instruments and are recognised at their transaction value.

### e) Fixed assets and depreciation

Fixed assets are stated at cost and such items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value on a straight-line basis as follows:

|                        |           |
|------------------------|-----------|
| Office equipment       | - 3 years |
| Furniture and fixtures | - 3 years |

### f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of support costs.

Unrestricted funds are donations and other income receivable or generated for the objects of the charity. Unrestricted funds set aside for a particular purpose are shown as designated.

### g) Pension costs

Contributions to the defined contribution scheme are charged to the SoFA as incurred.

### h) Operating leases

Rental costs under operating leases are charged to the SoFA on a straight-line basis over the lease life.

### i) Foreign currencies

Transactions in foreign currencies are recorded at the average rate of exchange during the period. Foreign currency balances have been translated at the rates of exchange ruling at the balance sheet date. The results of overseas operations and their balance sheets are translated at the closing rates of exchange at the end of the period.

## Notes to the accounts

### j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### k) Creditors and provisions

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

### l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## 2. Grants

|                    | Restricted       | Unrestricted   | Year ended<br>30 June<br>2023 | Year ended<br>30 June<br>2022 |
|--------------------|------------------|----------------|-------------------------------|-------------------------------|
|                    | £                | £              | £                             | £                             |
| Corporations       | -                | 95,083         | <b>95,083</b>                 | 82,482                        |
| Governments        | 921,422          | -              | <b>921,422</b>                | 1,179,325                     |
| Foundations & NGOs | 4,557,648        | 793,301        | <b>5,350,949</b>              | 5,042,087                     |
|                    | <u>5,479,070</u> | <u>888,384</u> | <u><b>6,367,454</b></u>       | <u>6,303,894</u>              |

## 3. Analysis of total expenditure

|                       | Direct<br>staff<br>costs<br>£ | Other<br>direct<br>costs<br>£ | Total<br>direct<br>costs<br>£ | Support<br>staff<br>costs<br>£ | Other<br>support<br>costs<br>£ | Total<br>support<br>costs<br>£ | Year<br>ended 30<br>June 2023<br>£ | Year ended<br>30 June<br>2022<br>£ |
|-----------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|------------------------------------|
| Cost of raising funds | 991,745                       | 65,531                        | <b>1,057,276</b>              | 293,013                        | 182,794                        | <b>475,807</b>                 | <b>1,533,083</b>                   | 1,260,953                          |
| Charitable activities | 4,635,210                     | 3,906,912                     | <b>8,542,122</b>              | 2,370,739                      | 1,478,973                      | <b>3,849,712</b>               | <b>12,391,834</b>                  | 10,182,755                         |
| <b>Total 2023</b>     | <u>5,626,955</u>              | <u>3,972,443</u>              | <u><b>9,599,398</b></u>       | <u>2,663,752</u>               | <u>1,661,767</u>               | <u><b>4,325,519</b></u>        | <u><b>13,924,917</b></u>           | <u>11,443,708</u>                  |
| Total 2022            | <u>4,908,765</u>              | <u>3,313,505</u>              | <u><b>8,222,270</b></u>       | <u>2,010,389</u>               | <u>1,211,049</u>               | <u><b>3,221,438</b></u>        |                                    |                                    |

## Notes to the accounts

Other support costs comprise:

|                        | Year ended<br>30 June<br>2023<br>£ | Year ended<br>30 June<br>2022<br>£ |
|------------------------|------------------------------------|------------------------------------|
| Premises               | 620,935                            | 634,827                            |
| Other office costs     | 109,047                            | 227,341                            |
| IT                     | 269,850                            | 226,156                            |
| Audit                  | 60,580                             | 75,339                             |
| Legal and professional | 163,013                            | 304,580                            |
| Exchange differences   | 102,103                            | (513,925)                          |
| Other                  | 336,239                            | 255,079                            |
|                        | <hr/> 1,661,767 <hr/>              | <hr/> 1,209,397 <hr/>              |

#### 4. Net income / (expenditure)

is stated after charging:

|  | Year ended<br>30 June<br>2023<br>£ | Year ended<br>30 June<br>2022<br>£ |
|--|------------------------------------|------------------------------------|
| Operating lease rentals – buildings  | 467,015                            | 609,476                            |
| Depreciation   | 150,719                            | 45,270                             |
| Fees payable to charity auditors: audit of the charity's annual accounts     | 28,000                             | 23,625                             |
| Fees payable to other group auditors: statutory audit of subsidiary accounts | 27,829                             | 40,214                             |
| Other services   | 30,720                             | 48,116                             |
|  | <hr/> 709,034 <hr/>                | <hr/> 766,701 <hr/>                |

#### 5. Staff costs

Staff costs during the period amounted to:

|                                  | Year ended<br>30 June<br>2023<br>£ | Year ended<br>30 June<br>2022<br>£ |
|----------------------------------|------------------------------------|------------------------------------|
| Wages and salaries               | 6,340,968                          | 5,161,785                          |
| Social security costs            | 660,891                            | 540,876                            |
| Employer's pension contributions | 620,792                            | 485,176                            |
| Other staff costs                | 344,975                            | 386,167                            |
|                                  | <hr/> 7,967,626 <hr/>              | <hr/> 6,574,004 <hr/>              |
| Temporary staff                  | 323,080                            | 345,151                            |
|                                  | <hr/> 8,290,706 <hr/>              | <hr/> 6,919,155 <hr/>              |

## Notes to the accounts

Included within staff costs above is £25,228 (2022: £nil) relating to termination costs. There were £Nil worth of ex-gratia payments made during the year (2022: £nil).

The average number of employees in the year was 146 (2022:128).

No volunteers contributed to our core programmatic work in either the current or prior year.

Number of employees with emoluments exceeding £60,000 in the year was:

|                          | 2022/23 |                         | 2021/22 |                         |
|--------------------------|---------|-------------------------|---------|-------------------------|
|                          | UK      | Rest of World<br>Number | UK      | Rest of World<br>Number |
| £60,000 - £70,000 p.a.   | 3       | 4                       | 4       | -                       |
| £70,001 - £80,000 p.a.   | 2       | 1                       | -       | -                       |
| £80,001 - £90,000 p.a.   | -       | 2                       | 1       | 1                       |
| £90,001 - £100,000 p.a.  | 1       | 1                       | 5       | 1                       |
| £100,001 - £110,000 p.a. | 4       | 1                       | -       | -                       |
| £110,001 - £120,000 p.a. | -       | -                       | 1       | -                       |
| £130,001 - £140,000 p.a. | 1       | -                       | -       | -                       |
| £180,001 - £190,000 p.a. | -       | 1                       | -       | -                       |

Retirement benefits are accruing to the higher paid staff under defined contribution schemes or equivalent overseas. Employer contributions of £66,837 (2022: £68,350) were made during the year.

The key management personnel of the group are the members of the Executive Management Team (EMT), as noted on page 24. The total employee benefits for the EMT were £1,204,319 (2022: £1,054,334) inclusive of employer's pension and national insurance costs.

### 6. Trustees' remuneration and expenses

No Trustee received any remuneration during the year (2022: nil). Expenses incurred by Trustees during the year totalled to £1,484 (2022: £328).

## Notes to the accounts

### 7. Tangible fixed assets

| <b>Group</b>                 | Office<br>equipment | <b>Total</b>    |
|------------------------------|---------------------|-----------------|
| <b>Cost</b>                  | £                   | £               |
| At 1 July 2022               | 468,787             | <b>468,787</b>  |
| Foreign Exchange Revaluation | (2,013)             | <b>(2,013)</b>  |
| Additions                    | 32,421              | <b>32,421</b>   |
| Disposals                    | (15,782)            | <b>(15,782)</b> |
|                              | _____               | _____           |
| <b>At 30 June 2023</b>       | <b>483,413</b>      | <b>483,413</b>  |
|                              | _____               | _____           |
| <b>Depreciation</b>          |                     |                 |
| At 1 July 2022               | 77,728              | <b>77,728</b>   |
| Foreign Exchange Revaluation | 3,453               | <b>3,453</b>    |
| Charge for the period        | 150,721             | <b>150,721</b>  |
| Disposals                    | (15,782)            | <b>(15,782)</b> |
|                              | _____               | _____           |
| <b>At 30 June 2023</b>       | <b>216,120</b>      | <b>216,120</b>  |
|                              | _____               | _____           |
| <b>Net book value</b>        |                     |                 |
| <b>At 30 June 2023</b>       | <b>267,293</b>      | <b>267,293</b>  |
|                              | _____               | _____           |
| At 1 July 2022               | 391,059             | <b>391,059</b>  |
|                              | _____               | _____           |
| <b>Charity</b>               | Office<br>equipment | <b>Total</b>    |
| <b>Cost</b>                  | £                   | £               |
| At 1 July 2022               | 442,442             | 442,442         |
| Additions                    | 20,945              | 20,945          |
| Disposals                    | (8,337)             | (8,337)         |
|                              | _____               | _____           |
| <b>At 30 June 2023</b>       | <b>455,050</b>      | <b>455,050</b>  |
|                              | _____               | _____           |
| <b>Depreciation</b>          |                     |                 |
| At 1 July 2022               | 67,108              | <b>67,108</b>   |
| Charge for the period        | 145,183             | <b>145,183</b>  |
| Disposals                    | (8,337)             | <b>(8,337)</b>  |
|                              | _____               | _____           |
| <b>At 30 June 2023</b>       | <b>203,954</b>      | <b>203,954</b>  |
|                              | _____               | _____           |

## Notes to the accounts

### Net book value

|                        |         |                |
|------------------------|---------|----------------|
| <b>At 30 June 2023</b> | 251,096 | <b>251,096</b> |
| At 1 July 2022         | 375,334 | <b>375,334</b> |

### 8. Investments

|                              | <b>Group<br/>30 June<br/>2023<br/>£</b> | Group<br>30 June<br>2022<br>£ | <b>Charity<br/>30 June<br/>2023<br/>£</b> | Charity<br>30 June<br>2022<br>£ |
|------------------------------|---|-------------------------------|---|---------------------------------|
| Seed capital investment fund | -                                       | 86,277                        | -   | 86,277                          |
| Investment in subsidiaries   | -                                       | -                             | <b>10,770</b>                             | 10,770                          |
|                              | -                                       | 86,277                        | <b>10,770</b>                             | 97,047                          |

### 9. Debtors

|                               | <b>Group<br/>30 June<br/>2023<br/>£</b> | Group<br>30 June<br>2022<br>£ | <b>Charity<br/>30 June<br/>2023<br/>£</b> | Charity<br>30 June<br>2022<br>£ |
|-------------------------------|---|-------------------------------|---|---------------------------------|
| Trade debtors                 | <b>2,134,654</b>                        | 1,406,862                     | <b>1,406,833</b>                          | 755,895                         |
| Other debtors                 | <b>323,818</b>                          | 327,024                       | <b>304,642</b>                            | 305,787                         |
| Due from subsidiary companies | -                                       | 4                             | <b>572,077</b>                            | 491,464                         |
| Prepayments                   | <b>580,425</b>                          | 488,197                       | <b>356,506</b>                            | 139,933                         |
| Accrued income                | <b>247,836</b>                          | 240,552                       | <b>231,672</b>                            | 240,552                         |
|                               | <b>3,286,733</b>                        | 2,462,639                     | <b>2,871,730</b>                          | 1,933,631                       |

There is an amount of £279,960 that is over a year included in Other Debtors for the London office rent deposit (2022: £279,960).

## Notes to the accounts

### 10. Creditors: amounts falling due within one year

|                              | <b>Group</b><br><b>30 June</b><br><b>2023</b><br>£ | Group<br>30 June<br>2022<br>£ | <b>Charity</b><br><b>30 June</b><br><b>2023</b><br>£ | Charity<br>30 June<br>2022<br>£ |
|------------------------------|--|-------------------------------|--|---------------------------------|
| Trade creditors              | <b>916,906</b>                                     | 545,556                       | <b>879,692</b>                                       | 502,072                         |
| Taxation and social security | <b>265,850</b>                                     | 247,877                       | <b>290,137</b>                                       | 228,105                         |
| Other creditors              | <b>34,375</b>                                      | 33,894                        | <b>22,937</b>  | 30,326                          |
| Accruals                     | <b>636,801</b>                                     | 576,821                       | <b>554,942</b>                                       | 461,329                         |
| Short term loans             | -  | -                             | -  | -                               |
| Deferred income              | <b>5,865,465</b>                                   | 3,996,379                     | <b>4,733,548</b>                                     | 2,961,352                       |
|                              | <b>7,719,397</b>                                   | 5,400,527                     | <b>6,481,256</b>                                     | 4,183,184                       |

### 10. Creditors: amounts falling due within one year (continued)

#### Deferred income

|                                  | At 1 July<br>2022<br>£ | Released to<br>income<br>£ | Deferred in the<br>year<br>£ | <b>At 30 June</b><br><b>2023</b><br>£ |
|----------------------------------|------------------------|----------------------------|------------------------------|---------------------------------------|
| Membership                       | 1,274,257              | (1,274,257)                | 1,715,849                    | <b>1,715,849</b>                      |
| Restricted grants                | 1,302,770              | (4,939,146)                | 6,030,497                    | <b>2,394,121</b>                      |
| Unrestricted grants              | 384,325                | (817,745)                  | 1,056,998                    | <b>623,578</b>                        |
| <b>Charity total</b>             | 2,961,352              | (7,031,148)                | 8,803,344                    | <b>4,733,548</b>                      |
| The Climate Group Inc/TCCO India | 1,035,027              | (1,613,649)                | 1,710,539                    | <b>1,131,917</b>                      |
| <b>Group total</b>               | 3,996,379              | (8,644,797)                | 10,513,883                   | <b>5,865,465</b>                      |

## Notes to the accounts

### 11. Analysis of net assets between funds

#### Group

|                                   | Restricted<br>funds<br>£ | Unrestricted<br>funds<br>£ | Total<br>funds<br>£ |
|-----------------------------------|--------------------------|----------------------------|---------------------|
| Tangible assets                   | -                        | 267,293                    | <b>267,293</b>      |
| Investments                       | -                        | -                          | -                   |
| Net current assets/(liabilities)  | -                        | 1,796,347                  | <b>1,796,347</b>    |
|                                   |                          |                            |                     |
| <b>Net assets at 30 June 2023</b> |                          | <b>2,063,640</b>           | <b>2,063,640</b>    |

#### Charity

|                                   | Restricted<br>funds<br>£ | Unrestricted<br>funds<br>£ | Total<br>funds<br>£ |
|-----------------------------------|--------------------------|----------------------------|---------------------|
| Tangible assets                   | -                        | 251,094                    | <b>251,094</b>      |
| Investment in subsidiaries        | -                        | 10,770                     | <b>10,770</b>       |
| Investments                       | -                        | -                          | -                   |
| Net current assets/(liabilities)  | -                        | 2,083,779                  | <b>2,083,779</b>    |
|                                   |                          |                            |                     |
| <b>Net assets at 30 June 2023</b> |                          | <b>2,345,643</b>           | <b>2,345,643</b>    |

### Prior year analysis of net assets between funds

#### Group

|                                   | Restricted<br>funds<br>£ | Unrestricted<br>funds<br>£ | Total<br>funds<br>£ |
|-----------------------------------|--------------------------|----------------------------|---------------------|
| Tangible assets                   | -                        | 391,059                    | <b>391,059</b>      |
| Investments                       | 86,277                   | -                          | <b>86,277</b>       |
| Net current assets/(liabilities)  | -                        | 2,646,381                  | <b>2,646,381</b>    |
|                                   |                          |                            |                     |
| <b>Net assets at 30 June 2022</b> | <b>86,277</b>            | <b>3,037,440</b>           | <b>3,123,717</b>    |

## Notes to the accounts

### Charity

|                                   | Restricted<br>funds<br>£ | Unrestricted<br>funds<br>£ | Total<br>funds<br>£ |
|-----------------------------------|--------------------------|----------------------------|---------------------|
| Tangible assets                   | -                        | 375,334                    | 375,334             |
| Investment in subsidiaries        | -                        | 10,770                     | 10,770              |
| Investments                       | 86,277                   | -                          | 86,277              |
| Net current assets/(liabilities)  | -                        | 2,825,635                  | 2,825,635           |
| <b>Net assets at 30 June 2022</b> | <b>86,277</b>            | <b>3,211,739</b>           | <b>3,298,016</b>    |

### 12. Movement in funds of the Group

|                                 | Balances<br>at 1 July<br>2022<br>£ | Income<br>£       | Expenditure<br>£    | Adjustments<br>£ | Transfers<br>&<br>exchange<br>differences<br>£ | At<br>30 June<br>2023<br>£ |
|---------------------------------|------------------------------------|-------------------|---------------------|------------------|--|----------------------------|
| <b>Restricted funds</b>         |                                    |                   |                     |                  |  |                            |
| Systems Energy                  |                                    | 540,693           | (540,693)           | -                | -  | -                          |
| Systems Built Environment       |                                    | 317,811           | (317,811)           | -                | -  | -                          |
| Systems Industry                |                                    | 1,574,042         | (1,574,042)         | -                | -  | -                          |
| Systems Transport               |                                    | 1,167,155         | (1,167,155)         | -                | -  | -                          |
| Systems Central                 |                                    | 51,687            | (51,687)            | -                | -  | -                          |
| Solutions Under2 Core           |                                    | 383,057           | (383,057)           | -                | -  | -                          |
| Solutions Under2 Projects       |                                    | 1,309,400         | (1,309,400)         | -                | -  | -                          |
| Operations Central              |                                    | 135,225           | (135,225)           | -                | -  | -                          |
| Seed Capital Investment Fund    | 86,277                             | -                 | -                   | -                | (86,277)                                       | -                          |
| <b>Total restricted funds</b>   | <b>86,277</b>                      | <b>5,479,070</b>  | <b>(5,479,070)</b>  | <b>-</b>         | <b>(86,277)</b>                                | <b>-</b>                   |
| <b>Unrestricted funds</b>       |                                    |                   |                     |                  |  |                            |
| General funds                   | 2,537,440                          | 7,386,050         | (8,280,847)         | (280)            | 86,277   | 1,728,640                  |
| Designated funds                | 500,000                            | -                 | (165,000)           | -                | -  | 335,000                    |
| <b>Total unrestricted funds</b> | <b>3,037,440</b>                   | <b>7,386,050</b>  | <b>(8,445,847)</b>  | <b>(280)</b>     | <b>86,277</b>                                  | <b>2,063,640</b>           |
| <b>Total funds</b>              | <b>3,123,717</b>                   | <b>12,865,120</b> | <b>(13,924,917)</b> | <b>(280)</b>     |  | <b>2,063,640</b>           |

## Notes to the accounts

|                                     |   |
|-------------------------------------|---|
| <b>Systems</b>                      | <p>Funding for our suite of complementary corporate commitment campaigns – namely RE100, EV100, EP100, EV100+, SteelZero and ConcreteZero. They are designed to create demand signals that can shift markets in the energy, transport, manufacturing, industrial and building sectors in favour of clean technologies, as well as influence the wider policy landscape in this direction. In addition to the core commitment campaigns, offshoot projects (for example on energy efficiency retrofitting, EV policy in Japan and the European Union etc) are funded as part of wider ecosystems of work on renewables, energy productivity and clean transport. Collectively, these corporate initiatives provide building blocks for 21st-century business models that will help to meet science-based climate targets and deliver net-zero emissions economies.</p> |
| <b>Summits</b>                      | <p>This mainly captures our annual event in New York called Climate Week NYC. It also includes other events we undertake as an organisation where separate funding is received, such as the US Climate Action Summit.</p>   |
| <b>Solutions</b>                    | <p>Funding to act as Secretariat to the Under2 Coalition and programmatic work directly with government signatories and partners of the Under2 MOU to drive climate ambition and action. The Under2 MoU is a commitment by sub-national governments to limit their GHG emissions by 80% on 1990 levels or 2 tons per capita by 2050. Funding is received for our key sub-national government initiatives.</p> <p>This includes our 'Future Fund' which is funding to empower sub-national governments to accelerate the shift towards a prosperous 'net-zero' future for all, through strategic funding that supports climate activities in developing and emerging economy regions.</p>  |
| <b>Seed Capital Investment Fund</b> | <p>The investment in Oikocredit International Share Foundation was liquidated during the year and is part of unrestricted reserves.</p>   |
| <b>Designated Funds</b>             | <p>Initially a designated fund of £0.65m to support the costs of the UK office move relating to fixtures and fittings, furniture, and other costs relating to the move. As costs were expensed, and assets are depreciated, the fund will be amortised appropriately. The fund now stands at £0.3m.</p>   |

## Notes to the accounts

### Prior year movement in funds of the Group

|                                 | Balances at<br>1 July<br>2021 | Income            | Expenditure         | Adjustments | Transfers &<br>exchange<br>differences | At<br>30 June<br>2022 |
|---------------------------------|-------------------------------|-------------------|---------------------|-------------|--|-----------------------|
|                                 | £                             | £                 | £                   | £           | £                                      | £                     |
| <b>Restricted funds</b>         |                               |                   |                     |             |  |                       |
| Business Action                 | -                             | 3,173,227         | (3,173,227)         | -           | -                                      | -                     |
| Summits                         | -                             | -                 | -                   | -           | -                                      | -                     |
| Under2                          | -                             | 2,218,075         | (2,218,075)         | -           | -                                      | -                     |
| Operations                      | -                             | -                 | -                   | -           | -                                      | -                     |
| Seed capital investment fund    | 86,277                        | -                 | -                   | -           | -                                      | <b>86,277</b>         |
| <b>Total restricted funds</b>   | <b>86,277</b>                 | <b>5,391,302</b>  | <b>(5,391,302)</b>  | <b>-</b>    | <b>-</b>                               | <b>86,277</b>         |
| <b>Unrestricted funds</b>       |                               |                   |                     |             |  |                       |
| General funds                   | 2,584,926                     | 5,844,863         | (5,902,406)         | -           | 10,057                                 | <b>2,537,440</b>      |
| Designated Funds                | 650,000                       | -                 | (150,000)           | -           | -                                      | <b>500,000</b>        |
| <b>Total unrestricted funds</b> | <b>3,234,926</b>              | <b>5,844,863</b>  | <b>(6,052,406)</b>  | <b>-</b>    | <b>10,057</b>                          | <b>3,037,440</b>      |
| <b>Total funds</b>              | <b>3,321,203</b>              | <b>11,236,165</b> | <b>(11,443,708)</b> | <b>-</b>    | <b>10,057</b>                          | <b>3,123,717</b>      |

### 13. Taxation

The Climate Change Organisation has charitable status and as such is partially exempt from tax on its income and gains to the extent that they are applied to its charitable objects.

### 14. Leasing commitments

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

|                                | 2023                  | 2022                  |
|--------------------------------|-----------------------|-----------------------|
|                                | Land and<br>buildings | Land and<br>buildings |
|                                | £                     | £                     |
| Expiring within 1 year         | <b>520,335</b>        | 257,952               |
| Expiring between 1 and 2 years | <b>479,950</b>        | 459,952               |
| Expiring between 2 and 5 years | <b>1,159,879</b>      | 1,639,829             |
|                                | <b>2,160,164</b>      | 2,357,733             |

## Notes to the accounts

### 15. Grant and other commitments

Climate Group delivers some of its programmes in collaboration with other partners. It provides subgrants to these organisations to provide the delivery of set outcomes, which form their obligations. The payment of these subgrants is contingent on both the continued funding from our institutional donors and all parties fulfilling the conditions of the grant deliverables. These future commitments have not yet been recognised, as their conditions have not yet been met and/or the restricted funding have not yet been approved or recognised by Climate Group, as they fall after the year end.

The amount of grant commitments falling within one year is £0.5m (2022: £0.3m).

The amount of grant commitments falling between one and five years is nil (2022: nil).

Major grant payments recognised in 2022/23 is set out below.

| <b>Recipient</b>             |               | <b>2023</b>  |
|------------------------------|---------------|--------------|
|                              |               | <b>£000s</b> |
| CDP Worldwide                | RE100 UK      | <b>315</b>   |
| World Green Building Council | EP100 UK      | <b>101</b>   |
| Responsible Steel Ltd        | Steel Zero UK | <b>70</b>    |
|                              |               | <hr/>        |
|                              |               | <b>486</b>   |
|                              |               | <hr/>        |

These grants have been allocated as other direct costs for charitable activities in note 3.

### 16. Subsidiaries

The Charity is represented by legal entities incorporated in the United States (registered 5 March 2004), India (registered 21 May 2018), the Netherlands B.V. (registered 12 November 2019), China (registered 1 January 2022) and the Netherlands Stichting (registered 25 August 2022). The Charity also has a dormant trading subsidiary in the UK called The Climate Change Organisation Services Ltd (registered on 1 May 2007). These entities operate in close conjunction with the UK charity with a relationship maintained via places on the Boards for members of the charity's management team. All activities undertaken by these entities are in furtherance of Climate Group's mission and objectives. The Charity, the US and Dutch companies have a year-end date of 30 June and due to local regulations, the Indian company has a 31 March year-end, and the China Representative Office has a 31 December year end.

## Notes to the accounts

|                                    | Balance at<br>1 July 2022 | Subgrants<br>received | Subgrants<br>made | Expenses<br>incurred | Payments<br>made/<br>received | Exchange<br>differences | Provision<br>against<br>intercompany<br>balance | Balance as<br>at 30 June<br>2023 |
|------------------------------------|---------------------------|-----------------------|-------------------|----------------------|-------------------------------|-------------------------|---|----------------------------------|
|                                    | £                         | £                     | £                 | £                    | £                             | £                       | £   | £                                |
| <b>Organisation</b>                |                           |                       |                   |                      |                               |                         |   |                                  |
| The Climate Group, Inc.            | 387,934                   | 2,013,447             |                   | -                    | (1,994,707)                   | (40,264)                | -   | <b>366,411</b>                   |
| TCCO India Projects Pvt. Ltd       | 89,165                    | 808,745               | -                 |                      | (719,459)                     | (6,327)                 |   | <b>172,124</b>                   |
| The Climate Group (Europe)<br>B.V. | 14,365                    | 335,706               |                   |                      | (109,849)                     | (5,682)                 | (234,539)                                       | -                                |
| Stichting Climate Group<br>Europe  | -                         | 33,972                |                   |                      |                               | (430)                   |   | <b>33,542</b>                    |
|                                    | <b>491,464</b>            | <b>3,191,870</b>      | -                 | -                    | <b>(2,824,015)</b>            | <b>(52,703)</b>         | <b>(234,539)</b>                                | <b>572,077</b>                   |

### Prior year transactions between the charity and related organisations

|                                    | Balance<br>at 1 July<br>2021 | Subgrants<br>received | Subgrants<br>made | Expenses<br>incurred | Payments<br>made/<br>received | Exchange<br>differences | Provision<br>against<br>intercompany<br>balance | Balance<br>as at 30<br>June<br>2022 |
|------------------------------------|------------------------------|-----------------------|-------------------|----------------------|-------------------------------|-------------------------|---|-------------------------------------|
|                                    | £                            | £                     | £                 | £                    | £                             | £                       | £   | £                                   |
| <b>Organisation</b>                |                              |                       |                   |                      |                               |                         |   |                                     |
| The Climate Group, Inc.            | 342,339                      | 909,439               | 7,395             | -                    | (977,944)                     | 106,706                 | -   | <b>387,934</b>                      |
| TCCO India Projects Pvt. Ltd       | 69,894                       | -                     | -                 | (240,119)            | 266,571                       | (7,181)                 | -   | <b>89,165</b>                       |
| The Climate Group (Europe)<br>B.V. | 4,016                        | (180,329)             |                   | 189,461              |                               | 1,217                   |   | <b>14,365</b>                       |
|                                    | <b>416,249</b>               | <b>729,110</b>        | <b>7,395</b>      | <b>(50,658)</b>      | <b>(711,373)</b>              | <b>100,742</b>          | -   | <b>491,464</b>                      |

## Notes to the accounts

### United States – The Climate Group, Inc.

|  | 2023             | 2022           |
|--|------------------|----------------|
|  | £                | £              |
| Net assets as at 1 July 2022             | 155,933          | 186,226        |
| Income for the year to 30 June 2023      | 4,020,922        | 3,387,151      |
| Net surplus for the year to 30 June 2023 | (408,112)        | (24,131)       |
| Net assets as at 30 June 2023            | <u>(252,179)</u> | <u>161,846</u> |

### China – Climate Group (UK) Beijing Representative Office

|  | 2023          | 2022            |
|--|---------------|-----------------|
|  | £             | £               |
| Net assets as at 1 July 2022             | (19,109)      |                 |
| Income for the year to 30 June 2023      | 373,354       | 100,927         |
| Net surplus for the year to 30 June 2023 | 75,637        | (21,461)        |
| Net assets as at 30 June 2023            | <u>56,528</u> | <u>(21,461)</u> |

### India – TCCO India Projects Pvt. Ltd

|  | 2023           | 2022            |
|--|----------------|-----------------|
|  | £              | £               |
| Net assets as at 1 July 2022             | (33,473)       | (10,333)        |
| Income for the year to 30 June 2023      | 949,562        | 403,568         |
| Net surplus for the year to 30 June 2023 | 133,956        | (24,776)        |
| Net assets as at 30 June 2023            | <u>100,483</u> | <u>(36,764)</u> |

### Netherlands – The Climate Group (Europe) B.V.

|  | 2023            | 2022            |
|--|-----------------|-----------------|
|  | £               | £               |
| Net assets as at 1 July 2022             | (21,339)        | (6,959)         |
| Income for the year to 30 June 2023      | 323,896         | 180,293         |
| Net surplus for the year to 30 June 2023 | 9,852           | (14,354)        |
| Net assets as at 30 June 2023            | <u>(11,487)</u> | <u>(21,337)</u> |

### Netherlands – Stichting Climate Group Europe

|  | 2023            | 2022     |
|--|-----------------|----------|
|  | £               | £        |
| Net assets as at 1 July 2022             |                 |          |
| Income for the year to 30 June 2023      | -               | -        |
| Net surplus for the year to 30 June 2023 | (42,933)        | -        |
| Net assets as at 30 June 2023            | <u>(42,933)</u> | <u>-</u> |

## Notes to the accounts

### 17. Prior year Consolidated Statement of Financial Activities

|  | Notes | Restricted  | Unrestricted | Year ended<br>30 June<br>2022 |
|--|-------|-------------|--------------|-------------------------------|
|  |       | £           | £            | £                             |
| <b>Income from:</b>                                  |       |             |              |                               |
| <i>Donations and legacies</i>                        |       |             |              |                               |
| Donations & similar funding                          |       | -           | 254,828      | <b>254,828</b>                |
| Grants   | 2     | 5,391,302   | 912,592      | <b>6,303,894</b>              |
|  |       | <hr/>       | <hr/>        | <hr/>                         |
|  |       | 5,391,302   | 1,167,420    | <b>6,558,722</b>              |
| <i>Charitable Activities</i>                         |       |             |              |                               |
| Membership and partnership income                    |       | -           | 2,375,697    | <b>2,375,697</b>              |
| Sponsorship and other                                |       | -           | 2,301,746    | <b>2,301,746</b>              |
|  |       | <hr/>       | <hr/>        | <hr/>                         |
|  |       | -           | 4,677,443    | <b>4,677,443</b>              |
| <b>Total income</b>                                  |       | <hr/>       | <hr/>        | <hr/>                         |
|  |       | 5,391,302   | 5,844,863    | <b>11,236,165</b>             |
| <b>Expenditure on:</b>                               |       |             |              |                               |
| <i>Raising funds</i>                                 |       | -           | 1,260,953    | <b>1,260,953</b>              |
| <i>Charitable activities</i>                         |       | 5,391,302   | 4,791,453    | <b>10,182,755</b>             |
|  |       | <hr/>       | <hr/>        | <hr/>                         |
| <b>Total expenditure</b>                             | 3     | 5,391,302   | 6,052,406    | <b>11,443,708</b>             |
| <b>Net income</b>                                    | 4     | <hr/>       | <hr/>        | <hr/>                         |
|  |       | -           | (207,543)    | <b>(207,543)</b>              |
| <b>Other recognised gains and losses</b>             |       |             |              |                               |
| Gain / (Loss) on revaluation of foreign subsidiaries |       | -           | 10,057       | <b>10,057</b>                 |
|  |       | <hr/>       | <hr/>        | <hr/>                         |
| <b>Net movement in funds</b>                         |       | -           | (197,486)    | <b>(197,486)</b>              |
| Reconciliation of funds:                             |       |             |              |                               |
| Total funds brought forward                          |       | 1,714,681   | 3,234,926    | <b>4,949,607</b>              |
| Prior Year Adjustment                                |       | (1,628,404) |              | <b>(1,628,404)</b>            |
| Total funds brought forward as Restated              | 18    | 86,277      | 3,234,926    | <b>3,321,203</b>              |
|  |       | <hr/>       | <hr/>        | <hr/>                         |
| <b>Total funds carried forward</b>                   | 11    | 86,277      | 3,037,440    | <b>3,123,717</b>              |