

**THE CLIMATE CHANGE ORGANISATION**

t/a  **CLIMATE GROUP**

**Annual Report and Accounts 2023/24**  
**12 months to 30 June 2024**

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

# Board of Trustees' Report

<b>A message from our Chair.....</b>	<b>3</b>
<b>A message from our Chief Executive.....</b>	<b>5</b>
<b>1. Objectives and activities .....</b>	<b>7</b>
About us .....	7
What we do .....	7
How we do it.....	7
Our objectives and key initiatives.....	7
<b>2. Achievements and performance .....</b>	<b>10</b>
Impacting systems - Making vital systems of the world economy compatible with a net zero future .....	10
Impacting governments - Developing and leveraging solutions which create maximum, measurable impact.....	13
Impacting opinion - Be an inspiring climate influencer .....	17
Achieving organisational excellence .....	20
<b>3. Financial review .....</b>	<b>21</b>
Income.....	21
Expenditure .....	22
Financial position at year-end .....	23
Managing principal risks and uncertainties.....	24
<b>4. Structure, governance and management.....</b>	<b>25</b>
Structure .....	25
Board of Trustees.....	25
Executive Management Team and Scheme of Delegation .....	26
Statement of Trustees' responsibilities .....	27
Key people and advisors.....	29
<b>5. Audited accounts .....</b>	<b>30</b>
Independent auditor's report to the members and trustees of The Climate Change Organisation .....	30
Consolidated statement of financial activities.....	34
Balance sheet.....	35
Consolidated cash flow statement .....	36
Notes to the accounts .....	37



Hon. Mike Rann AC,  
CNZM

## A message from our Chair

This year, we celebrated 20 years of Climate Group. To most people, 20 years may not seem like a long time but in the climate world, it is: especially if you look at the work we have been doing for those two decades.

We have brought hundreds of companies together, including some of the world's biggest corporations from every sector, convincing them to take concerted and measurable climate action and to decarbonise more quickly. We've been busy convening networks of corporates, governments and civil society on every continent with one ambition, to do more, often in the face of only incremental change internationally - we were one of the first to do that at scale and speed.

What a journey it has been. We launched in 2004, with former UK Prime Minister Tony Blair pledging his support, to catalyse business and government leadership on climate change and put the world on track for a low carbon economy.

In 2005, we played a foundational role in establishing the States and Regions Alliance, which is now known as the Under2 Coalition and of which we are the secretariat. This initiative, involving nearly 200 subnational governments, accounting for almost half the world's GDP, has been pivotal in scaling up climate action by leveraging the influence and capabilities of these subnational governments. There are so many examples of how our members, through their leadership, have prompted their national governments into action. The Under2 Coalition is now firmly established as a network for knowledge sharing globally.

And in 2009, we launched Climate Week NYC, which has since grown into the biggest climate event of its kind, second only to the annual COP. In 2023 we hosted 600 events in New York, held at the same time as the UN General Assembly. Through Climate Week NYC we have launched and profiled corporate initiatives on renewables, energy efficiency and carbon-free grids, as well as on transport and the decarbonisation of the steel and concrete industries.

These pivotal moments have brought us to where we are today, at the end of our Financial Year 2023/24. With a dedicated team of around 160 people across the world, from Mexico and the US via Europe to India, China and Japan, our global footprint enables us to expand our reach and impact.

Increased impact has been made possible by our financial growth – I'm very proud to say that Climate Group is a financially healthy organisation, with an income of £15.1 million, which is just over £2 million more than the year before. That growth was largely driven by our membership, partnership and sponsorship work, but also through growth in grant income.

It's not growth for the sake of growth, though. Over the past financial year, it has enabled us to invest in our staff and in our systems, our convening power (bringing decision makers together at events like Climate Week NYC), engagement with our members and key audiences, and driving impact across the board.

That convening power remains key to what we do – be it in New Delhi, Seoul, Singapore, Brussels, Washington, D.C., New York or in the Global South. It's hard work, but we are convinced that driving corporate and political demand for sustainable action remains a critical part of mitigating – and adapting to – the growing impacts of climate change. Over the past year we've seen sea temperatures rise, sea ice and glaciers hasten their retreat, and heat records

broken every month. We've seen people die in hurricanes, floods and heatwaves across the globe, and fires laying vast areas of forests into ashes.

It's true that financial investment in renewables and decarbonisation is now accelerating, but there is more to be done, and our world needs greater heavy lifting by the likes of the G7 and G20 as well as COP.

So, It's Time for solid, real-world action that will drive results even faster in the coming year - and I'm convinced that our team at Climate Group, with CEO Helen Clarkson at the helm, can spur companies and governments into much needed action. I would also like to thank our board for their support and invaluable input and highlight the close collaboration with our colleagues on the North American board.

With every best wish,

**Mike Rann AC, CNZM**  
**Chair of Board of Trustees at Climate Group**



Helen Clarkson, OBE

## A message from our Chief Executive

I write this intro to our Annual Report 2023-2024, with mixed feelings. We're looking back on a summer of climate disasters across the globe, rising sea temperatures and stark warnings that 2024 is on track to become the warmest year on record as global average temperatures breached the 1.5C threshold for 12 months straight – with emissions still rising or at best, plateauing.

At the same time, investment in the energy transition hit a record high over 2023, [rising to US \\$1.8 trillion](#), up 17% from the year before, with electrified transport and renewables as key sectors of investment. In that same year, investment in fossil fuels was just under US \$1.1 trillion. The IEA expected global investment in clean energy technology and infrastructure [to hit \\$2 trillion over 2024](#), twice the amount going into fossil fuels, and I firmly believe that the gap will only widen.

On a macro level, it feels very much like the outcome of the battle between worsening climate change and accelerating climate action, still hangs in the balance.

But zooming in, I'm very proud of the leading work our members have played in the journey to decarbonising key systems. This past financial year:

- RE100 members have been actively transitioning a combined electricity demand that is roughly twice the size of [California's annual electricity consumption](#) (2022) to be fully renewable – some have already achieved it. And in a report on eight of the biggest economies in the world, we laid bare the policy and regulatory barriers that stand in the way of a full roll out of corporate renewables.
- Our EV100 members have put 57% more electric cars on the road compared to the previous year, meaning a total of 620,000 EVs in 117 markets since the start of the initiative.
- Our EP100 members have to date saved enough energy to power Japan, Malaysia and Singapore for a year. Our Heavy Industry members are relentlessly working towards making net zero steel and net zero concrete a reality – and the new normal.
- Climate Week NYC has grown into a world-leading event that brings together decision makers at the highest level of business and government that pushed the messages of climate action under the rallying cry **We Can, We Will**.

There definitely is momentum, and this Annual Report reflects that – through the growth of our systems work, our real-world impact, our influence with and through the Under2 Coalition on governments at all levels, but also through the growth of income and our events work.

This did not happen in a vacuum – it's an outcome of a very deliberate strategic direction we set out in 2020. Now that period has come to an end, and a new three-year strategy is starting, we're taking stock not just of the past financial year, but of that entire four-year strategy period. When we set out the strategy, we could not foresee the COVID-19 pandemic locking down the world, nor the war in Ukraine or the Inflation Reduction Act in the US. But it showed the strength of our strategy that it coped with all those factors, and against the odds we opened a Europe office, built out our Government and Policy work, launched our SteelZero and ConcreteZero initiatives, and started EV100+ to tackle emissions in heavy duty vehicles.

Looking forward, our new strategy builds ambition across all our areas of work, taking our work to date and sharpening our theory of change and areas of focus. We will continue our work in the four key systems with large emissions where we have the ability to act – energy, transport, heavy industry, and food. In all of these systems, we are increasingly focused on the policy outcomes from our commitment campaigns. To deliver on this we have also strengthened our Governments

and Policy team and will continue to drive the impact of the Under2 Coalition, particularly through establishing a stronger voice in multilateral processes.

This report captures the evolution of our work over the last few years and how that leads into our new strategy. It lays out in detail how we further shaped our policy work, for example in Japan and South Korea, and at COP28. We strengthened the engagement with our key stakeholders through our Members hubs, convened networks across the globe, fostered an incredible and growing base of frontrunning companies that are acting on climate, and strengthened a coalition of subnational governments that increasingly claim their role on the international stage.

We're proud of that, but we're very aware that more needs to happen to push the transition into the mainstream, inspire others to act, and break down barriers to progress. We're on the right track, but it's time to go faster, at scale and speed.

**Helen Clarkson OBE**  
**Chief Executive of Climate Group**

# 1. Objectives and activities

## About us

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 fourth 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.

### 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>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>24/7 Carbon Free Coalition</b>	A coalition of ambitious organisations that are moving towards powering their businesses using 24/7 carbon-free electricity – every hour, every day, sourced from the grids where they operate.
<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 net zero 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>Food</b>	
<b>Alliance for Regenerative</b>	Introducing sustainable agriculture and livestock practices to recover and regenerate forests in the Peruvian Amazon and contribute to local



Initiative	Description
<b>Ranching in the Peruvian Amazon</b>	economic development. A pilot project involving Under2 Coalition member, Madre de Dios, Peru.
<b>Low carbon food procurement</b>	Scoping project initiated to explore role of sub-national governments in influencing the food system by helping to shift demand, open markets and create tipping points through health and climate-focused food procurement.
<b>Governments and Policy</b>	
<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>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>Climate Finance</b>	<p>Funded by Brazil UK PACT, the Mobilising Green Investment in Brazilian states project aims to enhance climate finance capacities and planning across three Brazilian states – Mato Grosso, Pernambuco, and Sao Paulo. Through establishing a community of practice, the project's learnings will be scaled up to other states across Brazil.</p> <p>The Next Generation Budgets project aims to align public budgeting with climate neutrality goals in 11 European and North American states and regions through technical training and sharing of international best practice. The project is led by Climate Group with the Government of North Rhine Westphalia and funded by Stiftung Mercator.</p>
<b>Summits and events</b>	
<b>Climate Week NYC</b>	Our flagship 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 (CGAAS)</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

#### What we said we'd do

We set out in 2023/24 with the goal of expanding our systems impact through new campaigns, including a leadership coalition on 24/7 carbon-free electricity. We also aimed to maintain the momentum of our existing corporate campaigns, informing the policy landscape to enable the uptake of electric cars, vans and heavy-duty vehicles, as well as driving the standardisation of low carbon concrete and steel.

#### What we achieved

In 2023/24, we continued to build on our strategic focus to drive climate action in systems where governments and leading businesses can have the highest impact: energy, transport, heavy industry, built environment and food.

We use the power of demand as a critical driver of change, inspiring businesses to set clear commitments to buy lower and zero carbon products and services and supporting them in turning this into action. In addition, we use the voice of business to advocate for policies and regulations that speed up investment in lower carbon solutions and encourage suppliers to accelerate their transition. Alongside our work with business, we are increasingly shaping this demand alongside the power of public procurement.

Throughout the year, we have fine-tuned our approach depending on the geography we are working in and the key barriers in each system. For example, the economics of buying lower carbon products can be challenging for highly emitting sectors such as steel and concrete, and there is insufficient awareness of the range of options and the emissions associated with these alternatives. In these sectors, any membership commitment, especially outside of European markets, requires an extensive period of trust and knowledge building with our partners. Despite this barrier, we've built strong relationships with new and potential members and other influential actors in key steel producing and consuming countries such as Japan, the Republic of Korea and China.

Once interest is secured, we nurture our highly active and engaged members to collectively address fundamental issues on the delivery of their commitment. To support them, we have encouraged alignment on topics such as the measurement and accounting of steel and concrete decarbonisation across key international forums and institutions. We have also worked hard to refine our own approach by fully updating the SteelZero commitment criteria, and we're concluding a similar extensive review for ConcreteZero. We've also identified knowledge gaps or disagreement around decarbonisation approaches and developed deep-dive research, for example on ground granulated blast furnace slag (GGBS).

#### **Impact highlight**

*Our Heavy Industry team has implemented new reporting frameworks for both steel and concrete. For SteelZero, 64% of members reported for the first time giving crucial insights into steel data availability and barriers to data collection. This marks the beginning of a standardised approach to holding members accountable and tracking progress. Similarly, ConcreteZero introduced a reporting framework for concrete carbon emissions. The frameworks not only enable members to monitor and benchmark their emissions but also extend its influence down the supply chain, driving industry-wide transparency and best practices in emissions reporting.*

Our more mature initiatives (RE100, EP100 and EV100) have primarily focused on influencing policy in markets where members face barriers to deliver on their commitments, as well as developing action-focused projects in specific sectors or geographies. Recruitment for these campaigns has focused on specific countries to enable effective policy advocacy, whilst ensuring that the overall community of members benefits from engagement and continues to support the goals of the initiative.

For example, through EP100 we have developed the Renovation Revolution action collaborative, targeting policy and market barriers to accelerate renovation rates in Europe, as well as growing membership in Asia. With RE100, we have targeted major economies with a relatively low share of renewables production such as the Republic of Korea and Japan, where we released tailored policy messages to influence key pieces of regulation. That has positioned us as a key player in debates about the future of the countries' energy systems. In 2023/24, we widened our geographic scope, with new RE100 partnerships in Indonesia and Argentina to boost engagement with business and government in those countries – and we prepared a new initiative which launched in late 2024: the 24/7 Carbon-Free Coalition.

#### **Impact highlight**

*With our membership base now exceeding the electricity usage of France, RE100 has the world's 10th largest electricity demand if it were a country – and it's transitioning to renewables. This has been used to emphasise the economic opportunities from members willing to invest in a country's renewables and associated infrastructure. Many members have recently revised their targets to earlier dates to reflect the progress they have made and to apply further pressure on governments. For example, TSMC and Sony have both moved their target years forward by a decade, to 2040.*

In the electric vehicle space, we have combined the strength of our EV100 and EV100+ networks to address policy barriers on light and medium & heavy-duty vehicles in Europe, North America and India, as well as new markets such as Japan. We've also created action-focused projects for zero emission trucking in India and developed research on the potential of cross-border infrastructure to support e-trucking in North America.

#### **Impact highlight**

*In India, we partnered with other organisations to run a stakeholder consultation for the Indian government's national electric truck roadmap, leveraging our EV100 and EV100+ networks to increase responses. This led to our invitation to the taskforce on electric trucks in India, led by the ICCT, which will see a roadmap to greater EV uptake in the Indian heavy-duty segment.*

As part of this policy engagement, we engage with governments at city, state & regional, and national level, working with NGO partners to facilitate engagement with local companies. In the Republic of Korea, for example, we have engaged with leading sub-national governments such as Chungcheongnam-do to secure the province's support for the principles of our SteelZero campaign. To drive renewables ambition, we hosted an Asia Renewables Growth Forum in the Republic of Korea and continued to support the Asia Clean Energy Coalition, of which we are a founding partner, to facilitate international discussions and to nurture leadership across the region.

#### **Next year**

In line with Climate Group's strategy for 2024-2027, we'll drive impact through each system by leveraging the strength of our business and government networks. We'll continue to focus on the role of demand alongside efforts to develop supportive regulation.

We recognise that businesses and governments don't function within a single system or use these systems to frame their strategies and policies. That's why we'll use the combined strength of our networks to accelerate change. For example, the strength of our corporate campaigns can be used to accelerate the growth of renewables, which will then act as an enabler of EV roll-out, support the transition towards lower-carbon steel production, and enable our RE100 members to achieve their ambitious goals.

**Key priorities for 2024/25 include the following**

- Convene business and governments to drive climate action, for example through connecting the work of the state and regional government transport network (ZEV Community) to our business-focused initiatives, EV100 and EV100+, and forming an Industrial Decarbonisation Enablement Alliance (IDEA) that will support heavy industry demand messaging and policy efforts in line with SteelZero and ConcreteZero commitments.
- Strengthen national policy engagement through a co-ordinated approach across transport, heavy industry and energy topics in key geographies such as Japan.
- Explore the role of “incubator” leadership communities to develop the next generation of our membership and impact in key geographies. We'll focus on markets with greater barriers to action, convening companies in these geographies to work together on the path to commitment.
- Inspire further progress on the energy transition through a narrative on the business leadership required on energy efficiency and renewables – in line with the COP28 call for tripling renewables and doubling energy efficiency improvement.
- Support the next generation of renewables leadership in more mature markets through the launch and piloting of a campaign that will drive 24/7 carbon free electricity.
- Complete the first series of our scoping grants on the food system, to identify the opportunity for government leadership on lower carbon food procurement and the implications for business through the value chain.

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

### What we said we'd do

Our Governments and Policy team started the financial year with a focus on increasing our climate finance work and integrating adaptation and resilience work with our ongoing mitigation work – while strengthening the role of subnational governments in driving climate action, while ensuring the transition is a just one that leave no one behind.

### What we achieved

Time is running out, yet the ambition of national governments and the pace of international negotiations are failing to keep pace with the urgent action that is needed. This year we have already crossed the 1.5-degree threshold and it's clear we are living in a world exposed to hotter, dryer and wetter conditions.

If anything, this should strengthen our resolve and motivate us to intensify our efforts. Subnational governments can 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.

### Raising ambition and leadership

Over this past year, we focused our work with the Under2 Coalition on four priorities: fossil fuel phaseout, addressing methane emissions, climate finance and formalising the role of subnationals in the international climate processes. These issues are the focus for our subnational advocacy (see impact highlight).

This year we continued to grow in strength and influence; we recruited our first ever member from Poland – Wielkopolska regions, and new members also joined from Gyeonggi province (South Korea) and Colorado (US). In addition, we hosted regional member meetings in Africa, LatAm and Europe which were successful in engaging greater participation of states.

Together with Governor Casagrande, from Espirito Santo, we also launched our formal partnership with the Green Brazil Consortium. Through this important network, we are well placed to influence Brazil's COP Presidency.

Throughout the year, we increasingly responded to key political events such as elections to reinforce the importance of climate and position ourselves in relevant debates. For example, around the EU Elections we published a manifesto, and a political communique aimed at the incoming leadership of the European Union. In this communique, states and regions urged the incoming leadership to a) support 90% emission reduction by 2040; b) work with states and regions to implement strong action and c) finance mechanisms that prioritise local needs.

#### **Impact highlight**

*During 2023, the Under2 Coalition was instrumental in securing strong presence of subnational leaders at first ever Local Climate Action Summit at COP, facilitated by Bloomberg Philanthropies. The summit hosted over 450 attendees from more than 60 countries. Under2 Coalition governments used the opportunity to highlight their particular climate concerns as well as share their success stories. We were able to widen the scope of the summit to focus on "local" instead of "urban" or "cities".*

*Additionally, through our leadership in the UN's Local Governments and Municipal Authorities (LGMA) constituency, we helped develop key messages for our COP28 advocacy. Our interventions resulted in more than 15 paragraphs in the COP28 UAE Consensus that contain specific references to local and subnational*

*governments, multilevel action, and urbanisation, significantly elevating the concept of multilevel action to a new level.*

### **The importance of multilevel action**

No one group of stakeholders can bring about the change needed without multilevel action. Cities, states and regions, and national governments all have a critical role to play to reinforce climate action and ensure effective climate governance. This is why we have championed multilevel climate governance through this year, resulting in the CHAMP (Coalition for Higher Ambition Multilevel Partnership) through which national governments agree to work with cities, states and regions on their NDCs.

#### ***Impact highlight***

*Climate Group was significantly involved in the development of Coalition for High Ambition Multilevel Partnership (CHAMP) for climate action, adopted at COP28 in Dubai. CHAMP has been endorsed by over 70 governments, including three states which were specifically invited by Climate Group and partners (Morocco, South Korea, and Colombia). Since then, Climate Group was subsequently asked to lead engagement on implementation of CHAMP in South Korea. Through this work we have championed the creation and adoption of ambitious NDC strategies that bring together all levels of government.*

### **Supporting climate action**

Our work to support governments in implementing climate action grows from strength to strength, delivering real economy impact. Following an event at the US Climate Action Summit (USCAS), the Ministry of Agriculture and Irrigation in Peru released a 'declaration of interest' on sustainable livestock to incentivise and formulate projects. This drew directly from our findings from our regenerative farming project in Peru.

We also continued to bring together Under2 Coalition governments to learn from each other and promote positive competition. Through our Net Zero Policy Forum and the ZEV Community we brought together members to discuss barriers and opportunities for action as well as sharing and learning from what has worked.

#### ***Impact highlight***

*At COP 28, we supported the California government's Subnational Methane Action Coalition, which brings together states and regions setting high levels of ambition on methane emissions reduction. Through peer-to-peer learning and positive competition, this initiative aims to mobilise greater action on this short-lived pollutant. Over the next year, we will aim to operationalise this work to provide further capacity building support to governments on tackling this important pollutant.*

### **Financing the change**

The biggest barrier for many governments to take climate action is finance. To address the need for governments to be better able to access, manage and mobilise funds, we have successfully initiated several projects. For example, the Next Generation Budgets project works with 13 European and North American subnational governments within Under2 for mainstreaming green budgeting practices and in making their regions fit for climate investments.

Additionally, during this year we secured funding for a new project to support Brazilian states to understand the climate financing landscape and support them to develop fundable projects. This initiative, supported by UKPACT Brazil, will materially support governments to be able to turn their project ideas into financeable ventures and also familiarise them with the international



climate finance landscape. This is critical as Brazil aims to showcase its climate leadership, at all levels of government, in the run up to COP30.

### **Impact highlight**

*With our Green Recovery Alliance project, focused on US states and regions, we worked closely with the US Department of Treasury. This session was exclusively tailored for our Under2 and Midwest network, focusing on Tax Credits and direct pay initiatives within the Inflation Reduction Act. We supported 35 state and local governments from locations across the country to better understand how to access climate financing incentives that can help drive their climate action.*

### **Supporting governments from emerging economies – the role of the Future Fund**

The role of developing and emerging regions is fundamental to make a difference to the world's climate system. Not only can these regions contribute to a decarbonised world, but implementing mitigation measures can carry significant and much-needed health and socioeconomic benefits to local populations.

However, due to a lack of resources these regions have traditionally struggled to join international climate networks, be in key meetings, develop mitigation capacities or share lessons learned. The Future Fund is working to change that.

The Future Fund is a powerful source of climate funding from contributing governments and corporate foundations to support climate action in developing and emerging economy regions. It does this through directly funded capacity-building projects, peer learning and secondments, and access to global climate events and forums in regional languages.

### **Impact highlight**

*The Government of Rio Grande do Sul, Brazil, has developed a climate roadmap in the shape of a digital tool that outlines short and medium-term initiatives for the municipalities of Rio Grande do Sul. The project is set up to maintain alignment between the actions advocated by the State and the efforts made at the municipal level to tackle climate change. By creating a more cohesive approach, this project aims to guide municipalities in their decarbonisation process. With this roadmap, the State hopes to set a clear and unified direction towards a more sustainable future for Rio Grande do Sul.*

### **Next year**

- Deepen subnational engagement in international climate processes in the run up to COP30, with a particular focus on their engagement and involvement in the NDC process and enabling access to climate finance.
- Continue to champion multi-level action and strengthen climate cooperation and action across differing levels of government.
- Develop and implement new work on climate finance, aimed at mobilising and incentivising investment for climate action; supporting states and regions to access and manage climate finance; and supporting multi-level action to speed up the transition.
- Scope and design interventions that address the synergies between climate mitigation and adaptation, recognising that for many of our governments these are not distinct policy agendas but deeply inter-related issues.
- Deliver new work on addressing methane emissions reductions, in recognition that decarbonisation alone is insufficient to keep global temperatures to less than 2 degrees change.

- Continue to support governments in emerging economies to have a stronger voice and greater influence in key international climate processes and forums through the Future Fund.



## Impacting opinion - Be an inspiring climate influencer

### What we said we'd do

Communications have always played a key role at Climate Group – at the start of the financial year we ventured into a more campaigning way of working to drive bolder climate action internally and externally and aimed to strengthen our position as key climate influencers of businesses and governments. We wanted to ensure that at the same time we'd strengthen our engagement with our members, support the growth and impact of our flagship events and increase our income.

### What we achieved

Over the past fiscal year, we have worked hard to strengthen our impact, thought leadership and influence through our comms, marketing and media work.

We aimed to further build the profile of our organisation and our experts, we've strengthened the engagement and energy around our membership networks and Under2 Coalition partners, highlighted the strength of our events and projects and invested in our media work. We also strengthened the structure of our Marketing team, and we've taken the first step towards becoming a more activist, campaign focused team to help speed up the change that is so urgently needed. In addition, we have started working on several high-profile comms campaigns that put us at the forefront of public and political discussions.

This has laid a strong foundation on which we'll keep building in the years ahead.

### Our key events

Our events speed up climate action by bringing people together who have the power to decide, finance and drive such action.

Climate Week NYC in September 2023 was bigger than ever with some 600 events, indicating that we have truly established it as a key global climate event. We not only brought together heads of governments, CEOs of some of the biggest corporates in the world, leading figureheads of civil society and over 200 speakers, we also created space for artists, local communities, activists and others, all bound by the same battle cry: **'We Can, We Will'**. That means we help drive change at the very top of business and government, and at community level alike.

#### **Impact highlight**

*Climate Week NYC drew more than 2100 attendees from 96 countries, showing the reach, impact and convening power of the event – some 70% of the attendees to the Opening Ceremony were from business or government, with well over 40% at the executive level.*

*Our digital campaign around Climate Week NYC had some 42 million impressions, our hashtag was seen half a billion times, and the media reach of the event was around 6.9 billion.*

The launch of our short film, "Facing the New Reality", during the Opening Ceremony of Climate Week NYC is testament to the increased quality of the marketing and comms around our events – the film went on to win the Most Empowering Corporate Climate Change Activists at the Non-Profit Organisation Awards.

In April 2024, we convened 260 delegates for the fourth high-level US Climate Action Summit in Washington, D.C., with the theme 'Making It Real'. No less than 21 states were represented, and 167 businesses, to discuss the most pressing climate issues facing the US in sectors including food, industry and transport.

In May, we convened close to 140 RE100 members at the Asia Renewables Growth Forum in Seoul, South Korea, to push the renewable energy transition in Asia forward. The event was well

covered by media, which allowed us to highlight some of the policy changes that are needed to break down policy barriers and siting issues in South Korea.

Our events team supported a significant growth of our COP28 events programme in December, ensuring we convened corporates and governments to tackle climate challenges together.

### **Boosting the impact of our Systems work**

Our comms at System level is transitioning toward a more campaign-led approach, through which we accelerate change in policies, targets and regulations in close alignment with other teams in the organisation, whilst highlighting our own work and expertise (Thought Leadership).

To establish Climate Group as key commentator on the COP28 commitment to triple renewables by 2030, the Energy comms team successfully launched at COP28 the report *Financing the Energy Transition: How Governments Can Maximise Corporate Investment*. The report highlighted policy barriers for corporate renewables roll-out in eight of the biggest economies in the world.

To reach decision makers at the heart of international discussions, with the G20 taking place in New Delhi in India, the Comms team in India gave voice to some of the largest businesses in the country. They urged the G20 governments to align their economies with a 1.5C° just, clean transition, reaching key audiences through our media work.

Ahead of the European elections, we launched the Renovation Revolution project with eight corporate members, to highlight the importance of energy efficiency. As our Energy work is expected to grow, we strengthened the structure of the energy comms team, boosting our campaigning capacity.

In line with our push for more data transparency in concrete and steel, ultimately driving emissions down in the Heavy Industry sectors, we developed a strong narrative around that transparency. We highlighted the work of our members, helped increase the membership numbers and thereby our collective influence on the decarbonisation of steel and concrete. For Transport, we focused on our work in India and the US, electric heavy-duty vehicles in Europe and the ZEV mandate in the UK, together with the Electric Fleet Coalition.

As accountability is an important part of our theory of change, we publicly highlighted the great progress made by members of our initiatives and the Under2 Coalition, using the release of our annual reports for RE100, EP100, EV100(+) and the Under2 Coalition as a hook.

### **Our government work and being reactive**

We've increased the ambition of our Governments and Policy work to ensure states and regions play a bigger and more official role in the development of NDCs and the multilateral process more broadly. Their recognition and our comms around it, including through the CHAMP initiative with national governments, will help states and regions better represent their communities and demonstrate climate solutions that are compatible with a just transition.

Our comms this year focused on amplifying and elevating the voice of our Under2 Coalition regions, which was most evident at the Local Climate Action Summit and Under2 General Assembly at COP28. We also strengthened our connections with organisations such as Bloomberg Philanthropies, Regions4 and C40 to collaborate in the comms around joint climate action.

During this election-filled year, we have increasingly reacted to public debates to ensure that the climate isn't forgotten when new governments are formed, and Climate Group is part of relevant debates. We've released statements, op-eds and press releases around elections in India, Europe, the UK, South Korea and other moments, such as in the lead up to G7 meetings. We worked with policy colleagues to draft a manifesto ahead of the EU elections in June, laying out our key asks and pushing the EU to stay on its ambitious course on climate. Our priorities were amplified throughout the period: building our voice and influence at a time of widespread change.

## Impact through Marketing

Marketing is one of the key pillars through which we build engagement amongst our vast network of decision makers, the Under2 Coalition, and around events. We further strengthened the impact and quality of our Marketing team, and took initial steps to build our influencer marketing, for example through short videos around the launch of Climate Week NYC, to harness the online influence of some of our key contacts.

### **Impact highlight**

*We continued to strengthen our engagement with key external stakeholders in FY 2023/24. Our Climate Insights newsletter now has some 10,000 recipients (from just over 3,000 in 2022) and achieves open rates of up to 61% - it shows our newsletters are resonating with our audience, a critical part of positioning ourselves as go-to thought leader and influencer of key decision makers.*

To ensure we keep delivering the quality, impact and materials our members have come to expect of us, we surveyed our members in business and governments earlier this year. The results: 93% of the respondents are proud to be a member of Climate Group and 83% said it's helping their organisation reach its climate goals. This shows the value we have built through high-quality engagement, ensuring our member income, build a strong reputation and secure retention.

To increase the impact and quality of our engagement with our key audiences even further and strengthen our profile as a go-to climate influencer, we continued to strengthen our website, our (paid and organic) social work, our newsletters and other forms of digital engagement.

We also worked hard to build out our newsletters, update the Members Hubs where we communicate directly with our members and provide them with the relevant info, learnings and feedback, and launched our new Social Media Strategy, which will help us focus across different platforms to different key audiences.

An important part of the Marketing Team's role is highlighting the impact and engagement around events such as Climate Week NYC, COP28 and the US Climate Action Summit, and delivering on the agreements with our partners. Video plays an important role in that field - to boost the quality of our video work around events and throughout the year, thereby improving our visibility and influence, we onboarded an external video agency.

### **Next year**

- Deliver a crosscutting, activist annual campaign to spur hesitant governments and corporates into action.
- Build integrated, sector-leading (digital) strategic influencing campaigns targeting the relevant decision makers and policies in both international spheres and targeted geographies in line with strategy, system and Government and Policy priorities.
- Strategic comms and marketing support around flagship events such as Climate Week NYC, USCAS, Asia, Steel / Concretes, focusing on convening power and action focused thought leadership around these events.
- Strengthen our presence in the media to ensure inclusion in relevant debates.

## Achieving organisational excellence

### What we said we'd do

We set out to continue to grow our staff's climate knowledge and management skills, while focusing on inclusivity and diversity. We also aimed to strengthen our Global Research Innovation and Impact team to develop viable programmes and bids and expanded our membership income by launching SteelZero and ConcreteZero memberships.

### What we achieved

We implemented a mentoring programme, with our Trustees mentoring some of our senior staff across a wide array of skillsets from corporate communications campaigns to strategic relationship management. We also had a lot of success with our reverse-mentoring programme building skills and creating new connections across locations, teams and levels. We further implemented new tools and line manager training to support our focus on staff engagement, performance, and wellbeing.

We delivered the EDI Annual Report in August and agreed the action plan with the EDI Governance Committee. With insights from the UK staff demographic survey one priority was to address under-representation through targeted action during recruitment. We continued to build an inclusive culture through our Knowledge Club, and focused on creating conversations on culture, neurodivergence and mental health.

We focused on equipping teams with the reporting and insights to be more accountable for their bottom-line financial performance. This includes a regular series of monthly business partnering meetings, and significant improvements to our utilisation reporting to support our drive to manage and improve productivity.

We have been focused on improving our data quality and are making great progress with our quarterly data audits. We revamped our contact tagging system in Salesforce to ensure we can segment our data in much more detail and so that all teams are using the same tags to ensure marketing and events have consistent access to our data. We have also revamped the training process for Salesforce to focus on both organisational level and team level training.

We restructured the Development Team to enable the creation of a new Leadership Giving workstream focused on creating opportunities for: i) innovative income from new income sources such as donor advisories, family offices and HNWI; ii) enhanced cross-organisation thought leadership and cultivation process to unlock opportunities for grants at levels previously inaccessible to Climate Group (7-8 figure multi-year partnerships). Whilst this new function is being created, we are consolidating our current Grants Team to continue to maintain and grow our grants pipeline as our largest long-term income stream.

We launched paid membership plans for SteelZero and ConcreteZero, with tiered pricing for large corporates and MSMEs.

### Our supporters

*Our philanthropic supporters included:*

Bentley Environmental Foundation, Bloomberg Philanthropies, Climate Imperative Foundation, ClimateWorks Foundation, ClimatePower, the European Climate Foundation, Global Methane Hub, John D. and Catherine T. MacArthur Foundation, Laudes Foundation, McKnight Foundation, the New York Community Trust, Pooled-Fund on International Energy, Shakti Sustainable Energy Foundation, Stiftung Mercator, Stichting SED, Tara Climate Foundation, Tiina and Antti Herlin Foundation, the Urban Mobility Innovation Fund, VoLo Foundation, the We Mean Business coalition and its philanthropic partners, Wellcome Trust, as well as a number of private donors.

*Our government supporters included:*

The Government of Baden-Wurttemberg

The Government of Navarra

The Government of Quebec

The Government of Scotland

The Government of Wales

UK PACT (Partnering for Accelerated Climate Transitions)

US Department of State

US Department of Energy

### Next year

- We will research opportunities to improve our productivity through the targeted use of AI tools. Solutions will be guided by our AI Policy, to ensure considered and controlled implementation and ongoing usage.
- In alignment with the new strategy, Learning & Development investment will deepen technical knowledge in cross-cutting topics like Climate Finance and Adaptation & Resilience, set the context through our Election Specials series and continue to develop our line managers to lead teams to sustainable high performance.
- We will continue to deliver an EDI programme that brings diverse perspectives and skills to the organisation and enables a fair and inclusive culture.

## 3. Financial review

The Statement of Financial Activities (page 34) 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, the Netherlands and India (indicated by “Group”). Figures in this section reflect the consolidated Group figures.

In the 2023/24 financial year, we have reported a £171,237 deficit. This position was anticipated and resulted from our investment in developing operations in China and the Netherlands, as well as the depreciation of our new UK premises, which is funded by a designated reserve. As a result, our unrestricted reserves have reduced to £1.9m, falling below the target range set by the Trustees, but we are targeting returning to the target range over the forthcoming financial years.

### Income

Our total income for the 2023/24 financial year was £15.1m (2022/23: £12.9m) and as at 30 June 2024 we held £6.2m of deferred income (30 June 2023: £5.9m).

Our income generation continued to prove resilient, with significant year on year growth. The primary sources of income were as follows:

- Government and foundation grant making of £6.0m (2022/23: £6.3m). Growth opportunities in the year were limited due to a significant period of re-alignment in climate philanthropy which has led to a slow-down in funding approvals. This has been the result of the entrance of new donors into the climate space, and efforts to organise new collaborative platforms capable of responding to the growing urgency of the climate crisis. 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 £4.2m (2022/23: £3.2m). Climate Week NYC showed significant growth, which was complemented by the US Climate Action Summit.

- Membership and partnership income also showed very significant growth reaching £4.7m (2022/23: £3.2m) as the membership campaigns continued to grow. As a forecastable source of income, this enabled us to progress critical work with confidence in our ability to withstand 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 system with pilot grants researching the powers of corporates and sub-national governments to utilise their procurement powers to create positive change. We have also delivered the first portfolio of regional grants managed by the Netherlands and China offices, and secured Climate Group's first grants on climate finance topics.

## Expenditure

During the accounting period our expenditure totalled £15.3m (2021/22: £13.9m).

Expenditure increased as we invested in our staffing, together with growth in line with project and event delivery income. In addition, we incurred the first full year of depreciation on the new UK premises.

The expenditure includes collaborative subgrants to other organisations which included CDP Global, ResponsibleSteel, 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 2024 is £1.9m (2022/23: £2.1m). The decrease in unrestricted reserves by £0.2m to £1.9m 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 2024, the remaining designated reserve balance is £0.2m.

Across our global offices, our North America operations remained dependent on events income as we continue to build momentum in establishing a portfolio of project work to progress our local and global goals. Progress on developing a regional portfolio has included new work on the intersection of climate and public health, as well as grants to support US states to access Inflation Reduction Act financing and to broaden climate leadership amongst Latino stakeholders.

Our Indian operations continued to deliver core initiatives locally, primarily supported by restricted grant income. International grant-makers are the primary source of income, though the conditions for international philanthropic investment have tightened in terms of oversight from the Government of India and may continue to do so with the outcome of the 2024 Indian election. Portfolio growth has been strong, especially in promoting conditions for the uptake of zero-emission vehicles, and across Climate Group's industrial decarbonisation campaigns. To diversify funding we are continuing to drive domestic membership payments for our corporate campaigns, as well as driving engagement with Indian donor advisory networks and high net worth individuals.

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 strategy on growing our food system portfolio and will also play a prominent role in our work on supporting states and regions' deployment of climate finance.

The income pipeline for our Representative Office in China has gathered momentum through 2023/24 and we are building a team to deliver our goals for the region. The focus of grant funding is concentrated in our industry and transport system areas – looking at the decarbonisation of the auto-manufacture and steel production value chain, and well as opportunities for decarbonisation of steel in the shipping industry. We expect future growth in China to be focused around our renewable energy work, with both philanthropic grant-making and corporate partnership activations being key sources of income.

### 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 ended the year below 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, and we remain confident in the strength of our balance sheet that shows a strong cash position, together with deferred income relating to ongoing membership programmes and project delivery.

As at 30 June 2024, the unrestricted reserves of £1.9m (2022/23: £2.1m), including designated reserves of £0.2m (2022/23: £0.3m), represents approximately 2.3 months of unrestricted expenditure. The Trustees anticipate that we will return to the target range and build our reserves position through consistently achieving appropriate surpluses in future financial years.

### Going concern

Climate Group's strategic planning, annual budgeting and ongoing financial performance review processes include a thorough review of variances, plus 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.

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 2025, we remain vigilant to 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:

### **Increasing ambition puts pressure on consistent delivery that maximises impact**

We made further operational progress in embedding teams in China and the European Union and have reduced our global operational risks by working with or hiring local experts to address the respective legal, HR and compliance risks. We are still collaborating to establish secure funding streams for the international offices and have seen progress this year.

As we continue to grow Climate Group's programmatic work we need to ensure this does not affect the effectiveness of project delivery which could reduce our impact to accelerate emission reductions. Looking forward we are looking to grow our programmatic work in Indonesia, Brazil, Mexico, South Africa, Nigeria, South Korea, and Japan so we are watching this space very carefully.

### **Event Portfolio growth has increased the complexity of delivery and income risk**

Our event portfolio has grown in size, complexity and as a proportion of our income as we work to increase our impact. 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 and made some changes to mitigate our risks. We continue to annually review and strengthen as needed our due diligence processes for all our members, partners and sponsors to mitigate risk.

### **People and delivery cost pressures continued despite lower global inflation**

The decline in inflation and pay pressures has helped ease some pressure on our cost base, however, we still faced a highly competitive labour market. We continued to focus on strengthening our employee value proposition and updated our recruitment and onboarding processes to be able to attract top talent.

Delivery and partner costs pressures were also present and were not fully offset by higher funding, so we continued to focus on efficiency and strengthening our project management across the organisation.



## 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. 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 10 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.

The present and past Trustees who served during the year, and to the date of signing this report, are listed below. Trustees who form part of sub-committees and/or working groups are indicated as follows, Finance and Audit Committee (F&A), Global Nominations and Governance Committee (GN&G), Remunerations Committee (R) and Climate Week NYC Board Steering Group (BSG).

Zoë Ashcroft	Deputy Chair; GN&G
Andrew Clark	Trustee; F&A; R
Jeffrey B. Gracer	Trustee; GN&G (resigned December 2023)
James Hall-Smith	Trustee; F&A
Victoria Keilthy	Trustee; F&A (resigned July 2023)
Mayumi Omi	Trustee
Joanne Parker	Trustee; BSG
Michael Rann	Chair; GN&G; R
Gov. Bill Ritter, Jr.	Trustee; GN&G (appointed March 2024)
Amber Rudd	Trustee; (resigned March 2024)
Jonathan Williams	Trustee; F&A (appointed July 2023)
Rachel Andrews	Trustee; F&A (appointed May 2024)
Lutamy Mtwali	Trustee; F&A (appointed May 2024)

## 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

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 **Remuneration Committee**, made up by the Board and Finance and Audit Committee Chairs, is tasked on behalf of the Board with ensuring fair and proportionate remuneration for c-suite employees (currently CEO and COO).

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.

## 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.

Helen Clarkson OBE	Chief Executive
Luke Herbert	Executive Director, Communications and External Affairs
Ana Mates	Chief Operating Officer
David Mole	Executive Director, Development
Alex Moore	Executive Director, Finance and IT
Champa Patel	Executive Director for Governments and Policy
Mike Peirce	Executive Director, Systems Change

## 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

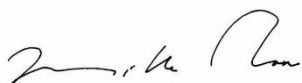
The salaries of Climate Group staff are periodically benchmarked against comparable organisations, including other charities. Climate Group aims to set salaries equivalent to the median for such organisations. All posts are evaluated based on agreed, organisation-wide criteria that determine the grade 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 16 December 2024 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 2023 and 16 December 2024, the date of the signing of the accounts.

### Registered office

The Clove Building  
4 Maguire Street  
London  
SE1 2NQ

### Directors of our Regional Boards

#### The Climate Group, Inc.

- Zoë J. Ashcroft
- Helen Clarkson
- Gary Doer
- Ariane de Vienne
- Joseph M. Kinard
- Douglas P. Lawrence
- Gov. Bill Ritter, Jnr. (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)
- Jeffrey Prins

### 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 2024 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 groups and the charitable company's affairs as at 30 June 2024 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.



Dipesh Chhatralia  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

20 December 2024

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 2024

## Consolidated statement of financial activities

	Notes	Restricted	Unrestricted	Year ended 30 June 2024	Year ended 30 June 2023
		£	£	£	£
<b>Income from:</b>					
<i>Donations and legacies</i>					
Donations & similar funding		-	141,182	<b>141,182</b>	142,067
Grants	2	5,571,090	513,024	<b>6,084,114</b>	6,367,454
		<u>5,571,090</u>	<u>654,206</u>	<u><b>6,225,296</b></u>	<u>6,509,521</u>
<i>Charitable activities</i>					
Membership and partnership income		-	4,733,436	<b>4,733,436</b>	3,175,693
Sponsorship and other		-	4,161,546	<b>4,161,546</b>	3,179,906
		<u>-</u>	<u>8,894,982</u>	<u><b>8,894,982</b></u>	<u>6,355,599</u>
<b>Total income</b>		<u>5,571,090</u>	<u>9,549,188</u>	<u><b>15,120,278</b></u>	<u>12,865,120</u>
<b>Expenditure on:</b>					
<i>Raising funds</i>		-	1,652,468	<b>1,652,468</b>	1,706,104
<i>Charitable activities</i>		5,571,090	8,067,175	<b>13,638,265</b>	12,218,813
<b>Total expenditure</b>	3	<u>5,571,090</u>	<u>9,719,643</u>	<u><b>15,290,733</b></u>	<u>13,924,917</u>
<b>Net income</b>		<u>-</u>	<u>(170,455)</u>	<u><b>(170,455)</b></u>	<u>(1,059,797)</u>
<b>Other recognised gains and losses</b>					
Gain / (Loss) on revaluation of foreign subsidiaries		-	(812)	<b>(812)</b>	(280)
<b>Net movement in funds</b>		<u>-</u>	<u>(171,267)</u>	<u><b>(171,267)</b></u>	<u>(1,060,077)</u>
Reconciliation of funds:					
Total funds brought forward		-	2,063,640	<b>2,063,640</b>	3,123,717
<b>Total funds carried forward</b>	11	<u>-</u>	<u>1,892,373</u>	<u><b>1,892,373</b></u>	<u>2,063,640</u>

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

**BALANCE SHEETS****COMPANY NUMBER: 4964424**

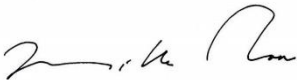
As at 30 June 2024

**Balance sheet**

	Notes	Group 30 June 2024 £	Group 30 June 2023 £	Charity 30 June 2024 £	Charity 30 June 2023 £
<b>Fixed assets</b>					
Tangible fixed assets	7	233,239	267,293	196,612	251,096
Investments	8	-	-	10,770	10,770
		<b>233,239</b>	267,293	<b>207,382</b>	261,866
<b>Current assets</b>					
Debtors	9	4,661,648	3,286,733	4,758,603	2,871,730
Cash at bank and in hand		5,036,780	6,229,011	4,451,232	5,693,305
		<b>9,698,428</b>	9,515,744	<b>9,209,835</b>	8,565,035
<b>Creditors:</b> amounts falling due within one year	10	<b>(8,039,294)</b>	(7,719,397)	<b>(7,084,341)</b>	(6,481,256)
<b>Net current assets</b>		<b>1,659,134</b>	1,796,347	<b>2,125,494</b>	2,083,779
<b>Net assets</b>	11	<b>1,892,373</b>	2,063,640	<b>2,332,876</b>	2,345,645
<b>Represented by</b>					
Restricted funds		-	-	-	-
Unrestricted funds – General		1,722,373	1,728,640	2,162,876	2,010,645
Unrestricted funds – Designated		170,000	335,000	170,000	335,000
<b>Total funds</b>	12	<b>1,892,373</b>	2,063,640	<b>2,332,876</b>	2,345,645

The net movement in funds for the charity only for the year was negative £12,769 (2023: £952,371).

The accounts on pages 34 to 52 were approved by the Board of Trustees and authorised for issue on 16 December 2024 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 2024

### Consolidated cash flow statement

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
<b>Cash flows from operating activities:</b>		
<b><i>Net cash provided by operating activities (Note a)</i></b>	<b>(1,046,726)</b>	<b>677,165</b>
<b>Cash flows from investing activities:</b>		
Payments to acquire tangible fixed assets	(145,507)	(32,421)
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(1,192,233)</b>	<b>644,744</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,229,013</b>	<b>5,584,269</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5,036,780</b>	<b>6,229,013</b>

### Note to the cash flow statement

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

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
<b><i>Net income for the year</i></b>	<b>(170,455)</b>	<b>(1,059,797)</b>
<b>Adjustments for:</b>		
Depreciation charges	177,804	150,721
Investment income	-	86,277
Foreign exchange differences, excluding gains arising on revaluation of fixed assets	943	5,187
(Increase)/ Decrease in debtors	(1,374,915)	(824,094)
Increase / (Decrease) in creditors	319,897	2,318,871
<b><i>Net cash provided by operating activities</i></b>	<b>(1,046,726)</b>	<b>677,165</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 2019 - (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 30 June 2024	Year ended 30 June 2023
	£	£	£	£
Corporations	-	97,225	<b>97,225</b>	95,083
Governments	602,925	233,681	<b>836,606</b>	921,422
Foundations & NGOs	4,968,165	182,118	<b>5,150,283</b>	5,350,949
	<u>5,571,090</u>	<u>513,024</u>	<u><b>6,084,114</b></u>	<u>6,367,454</u>

## 3. Analysis of total expenditure

	Direct staff costs £	Other direct costs £	Total direct costs £	Support staff costs £	Other support costs £	Total support costs £	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Raising funds	1,081,793	91,899	<b>1,172,692</b>	287,932	190,844	<b>478,776</b>	<b>1,652,468</b>	1,533,083
Charitable activities	5,582,289	4,182,241	<b>9,764,530</b>	2,329,636	1,544,099	<b>3,873,735</b>	<b>13,638,265</b>	12,391,834
<b>Total 2024</b>	<u>6,664,082</u>	<u>4,274,140</u>	<u><b>10,938,222</b></u>	<u>2,617,568</u>	<u>1,734,943</u>	<u><b>4,352,511</b></u>	<u><b>15,290,733</b></u>	<u>13,924,917</u>
Total 2023	<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>		



## Notes to the accounts

Other support costs comprise:

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Premises	636,907	620,935
Other office costs	116,100	109,047
IT	354,030	269,850
Audit	60,497	60,580
Legal and professional	185,928	163,013
Exchange differences	30,210	102,103
Other	351,271	336,239
	<b>1,734,943</b>	<b>1,661,767</b>

### 4. Net income / (expenditure)

is stated after charging:

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Operating lease rentals – buildings	480,197	467,015
Depreciation	177,805	150,719
Fees payable to charity auditors: audit of the charity's annual accounts	29,400	28,000
Fees payable to other group auditors: statutory audit of subsidiary accounts	31,097	27,829
Other services	22,579	30,720
	<b>741,078</b>	<b>704,283</b>

### 5. Staff costs

Staff costs during the period amounted to:

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Wages and salaries	6,949,789	6,154,081
Social security costs	717,959	660,891
Employer's pension contributions	775,371	620,792
Other staff costs	567,128	531,862
	<b>9,010,247</b>	<b>7,967,626</b>
Temporary staff	271,403	323,080
	<b>9,281,650</b>	<b>8,290,706</b>

## Notes to the accounts

Included within staff costs above is £Nil (2023: £Nil) relating to termination costs. There were £Nil worth of ex-gratia payments made during the year (2023: £Nil).

The average number of employees in the year was 156 (2023:146).

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:

	2023/24		2022/23	
	UK	Rest of World Number	UK	Rest of World Number
£60,000 - £70,000 p.a.	4	3	3	4
£70,001 - £80,000 p.a.	3	4	2	1
£80,001 - £90,000 p.a.	3	2	-	2
£90,001 - £100,000 p.a.	-	-	1	1
£100,001 - £110,000 p.a.	3	1	4	1
£110,001 - £120,000 p.a.	2	1	-	-
£120,001 - £130,000 p.a.	1	1	-	-
£130,001 - £140,000 p.a.	-	-	1	-
£140,001 - £150,000 p.a.	1	-	-	-
£180,001 - £190,000 p.a.	-	1	-	1

Retirement benefits are accruing to the higher paid staff under defined contribution schemes or equivalent overseas. Employer contributions of £100,550 (2023: £66,837) 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 26. The total employee benefits for the EMT were £1,445,105 (2023: £1,204,319) inclusive of employer's pension and national insurance costs.

### 6. Trustees' remuneration and expenses

No Trustee received any remuneration during the year (2023: nil). Expenses incurred by Trustees during the year totalled to £1,048 (2023: £1,484).

## Notes to the accounts

### 7. Tangible fixed assets

<b>Group</b>	Office equipment	<b>Total</b>
<b>Cost</b>	£	£
At 1 July 2023	483,413	<b>483,413</b>
Foreign Exchange Revaluation	(410)	<b>(410)</b>
Additions	145,507	<b>145,507</b>
Disposals	(9,014)	<b>(9,014)</b>
<b>At 30 June 2024</b>	<b>619,496</b>	<b>619,496</b>
<b>Depreciation</b>		
At 1 July 2023	216,120	<b>216,120</b>
Foreign Exchange Revaluation	1,347	<b>1,347</b>
Charge for the period	177,804	<b>177,804</b>
Disposals	(9,014)	<b>(9,014)</b>
<b>At 30 June 2024</b>	<b>386,257</b>	<b>386,257</b>
<b>Net book value</b>		
<b>At 30 June 2024</b>	<b>233,239</b>	<b>233,239</b>
At 1 July 2023	267,293	<b>267,293</b>
<b>Charity</b>	Office equipment	<b>Total</b>
<b>Cost</b>	£	£
At 1 July 2023	455,050	455,050
Additions	115,310	<b>115,310</b>
Disposals	(7,502)	(7,502)
<b>At 30 June 2024</b>	<b>562,858</b>	<b>562,858</b>
<b>Depreciation</b>		
At 1 July 2023	203,954	<b>203,954</b>
Charge for the period	169,794	<b>169,794</b>
Disposals	(7,502)	<b>(7,502)</b>
<b>At 30 June 2024</b>	<b>366,246</b>	<b>366,246</b>
<b>Net book value</b>		
<b>At 30 June 2024</b>	<b>196,612</b>	<b>196,612</b>
At 1 July 2023	251,096	<b>251,096</b>

## Notes to the accounts

### 8. Investments

	<b>Group 30 June 2024 £</b>	<b>Group 30 June 2023 £</b>	<b>Charity 30 June 2024 £</b>	<b>Charity 30 June 2023 £</b>
Seed capital investment fund	-	-	-	-
Investment in subsidiaries	-	-	<b>10,770</b>	10,770
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>-</b>	<b>-</b>	<b>10,770</b>	10,770
	<hr/>	<hr/>	<hr/>	<hr/>

### 9. Debtors

	<b>Group 30 June 2024 £</b>	<b>Group 30 June 2023 £</b>	<b>Charity 30 June 2024 £</b>	<b>Charity 30 June 2023 £</b>
Trade debtors	<b>3,282,932</b>	2,134,654	<b>2,790,465</b>	1,406,833
Other debtors	<b>356,697</b>	323,818	<b>312,589</b>	304,642
Due from subsidiary companies	-	-	<b>778,731</b>	572,077
Prepayments	<b>711,297</b>	580,425	<b>618,207</b>	356,506
Accrued income	<b>310,722</b>	247,836	<b>258,611</b>	231,672
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>4,661,648</b>	3,286,733	<b>4,758,603</b>	2,871,730
	<hr/>	<hr/>	<hr/>	<hr/>

There is an amount of £279,960 that is over a year included in Other Debtors for the London office rent deposit (2023: £279,960).

## Notes to the accounts

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

	<b>Group 30 June 2024 £</b>	<b>Group 30 June 2023 £</b>	<b>Charity 30 June 2024 £</b>	<b>Charity 30 June 2023 £</b>
Trade creditors	<b>660,044</b>	916,906	<b>622,610</b>	879,692
Taxation and social security	<b>192,686</b>	265,850	<b>184,762</b>	290,137
Other creditors	<b>122,624</b>	34,375	<b>113,141</b>	22,937
Accruals	<b>868,856</b>	636,801	<b>728,555</b>	554,942
Deferred income	<b>6,195,084</b>	5,865,465	<b>5,435,273</b>	4,733,548
	<b>8,039,294</b>	7,719,397	<b>7,084,341</b>	6,481,256

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

#### Deferred income

	<b>At 1 July 2023 £</b>	<b>Released to income £</b>	<b>Deferred in the year £</b>	<b>At 30 June 2024 £</b>
Membership	1,715,849	(1,715,849)	1,905,275	<b>1,905,275</b>
Restricted grants	2,394,121	(4,939,146)	3,994,600	<b>1,449,575</b>
Unrestricted grants	623,578	(817,745)	2,274,590	<b>2,080,423</b>
<b>Charity total</b>	4,733,548	(7,472,740)	8,174,465	<b>5,435,273</b>
 The Climate Group Inc/TCCO India	 1,131,917	 (1,613,649)	 1,241,543	 <b>759,811</b>
<b>Group total</b>	<b>5,865,465</b>	<b>(9,086,389)</b>	<b>9,416,008</b>	<b>6,195,084</b>

## Notes to the accounts

### 11. Analysis of net assets between funds

#### Group

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible assets	-	233,239	<b>233,239</b>
Investments	-	-	-
Net current assets/(liabilities)	-	1,659,134	<b>1,659,134</b>
<b>Net assets at 30 June 2024</b>	<b>-</b>	<b>1,892,373</b>	<b>1,892,373</b>

#### Charity

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible assets	-	196,612	<b>196,612</b>
Investment in subsidiaries	-	10,770	<b>10,770</b>
Investments	-	-	-
Net current assets/(liabilities)	-	2,125,494	<b>2,125,494</b>
<b>Net assets at 30 June 2024</b>	<b>-</b>	<b>2,332,876</b>	<b>2,332,876</b>

### Prior year analysis of net assets between funds

#### Group

	Restricted funds £	Unrestricted funds £	Total funds £
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>-</b>	<b>2,063,640</b>	<b>2,063,640</b>

## Notes to the accounts

### Charity

	Restricted funds £	Unrestricted funds £	Total funds £
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>	-	2,345,643	<b>2,345,643</b>

### 12. Movement in funds of the Group

	Balances at 1 July 2023 £	Income £	Expenditure £	Adjustments £	Transfers & exchange differences £	At 30 June 2024 £
<b>Restricted funds</b>						
Systems Energy		1,222,554	(1,222,554)	-	-	-
Systems Built Environment		292,379	(292,379)	-	-	-
Systems Industry		1,191,244	(1,191,244)	-	-	-
Systems Transport		1,119,104	(1,119,104)	-	-	-
Systems Food		15,711	(15,711)			
Systems Central		34,222	(34,222)	-	-	-
Summits & Events		59,811	(59,811)	-	-	-
Operations Central		91,312	(91,312)	-	-	-
Solutions Subnational				-	-	-
Governments & Under2		590,706	(590,706)			
Solutions Global Implementation		769,943	(769,943)	-	-	-
Solutions Policy & Advocacy		184,104	(184,104)	-	-	-
<b>Total restricted funds</b>	-	5,571,090	(5,571,090)	-	-	-
<b>Unrestricted funds</b>						
General funds	1,728,640	9,549,188	(9,554,643)	(812)	-	<b>1,722,373</b>
Designated funds	335,000	-	(165,000)	-	-	<b>170,000</b>
<b>Total unrestricted funds</b>	2,063,640	9,549,188	(9,719,643)	(812)	-	<b>1,892,373</b>
<b>Total funds</b>	2,063,640	15,120,278	(15,290,733)	(812)	-	<b>1,892,373</b>



<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 &amp; Events</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>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 £175k.</p>

## Notes to the accounts

### Prior year movement in funds of the Group

	Balances at 1 July 2022	Income	Expenditure	Adjustments	Transfers & exchange differences	At 30 June 2023
	£	£	£	£	£	£
<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	<b>1,728,640</b>
Designated funds	500,000	-	(165,000)	-	-	<b>335,000</b>
<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>

### 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:

	2024	2023
	Land and buildings	Land and buildings
	£	£
Expiring within 1 year	<b>541,331</b>	520,335
Expiring between 1 and 2 years	<b>496,709</b>	479,950
Expiring between 2 and 5 years	<b>679,929</b>	1,159,879
	<b>1,717,969</b>	2,160,164

## 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 has 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 £0.1m (2023: £0.5m).

The amount of grant commitments falling between one and five years is Nil (2023: nil).

Major grant payments recognised in 2023/24 are set out below.

Recipient		2024 £000s
Governments	Future Fund UK	57
Governments	Future Fund – Bentley Foundation	30
		<hr/>
		87

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.

Both the Charity and the Netherlands Stichting have Dutch ANBI status as awarded by the Dutch Chamber of Commerce.

## Notes to the accounts

	Balance at 1 July 2023	Subgrants received	Expenses incurred	Payments made/ received	Exchange differences	Provision against intercompany balance	Balance as at 30 June 2024
	£	£	£	£	£	£	£
<b>Organisation</b>							
The Climate Group, Inc.	366,411	2,548,525	(2,470,115)	()	(4,778)	-	<b>440,043</b>
TCCO India Projects Pvt. Ltd	172,124	694,118	(818,705)	()	(3,673)		<b>43,864</b>
The Climate Group (Europe) B.V.	-	-	-	()	()	()	-
Stichting Climate Group Europe	33,542	385,602	(119,617)		(4,230)		<b>295,297</b>
	<b>572,077</b>	<b>3,628,245</b>	<b>(3,408,437)</b>	<b>()</b>	<b>(12,681)</b>	<b>()</b>	<b>779,204</b>

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

	Balance at 1 July 2022	Subgrants received	Subgrants made	Expenses incurred	Payments made/ received	Exchange differences	Provision against intercompany balance	Balance as at 30 June 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) B.V.	14,365	335,706			(109,849)	(5,682)	(234,539)	-
Stichting Climate Group Europe	-	33,972				(430)		<b>33,542</b>
	<b>491,464</b>	<b>3,191,870</b>	<b>-</b>	<b>-</b>	<b>(2,824,015)</b>	<b>(52,703)</b>	<b>(234,539)</b>	<b>572,077</b>

## Notes to the accounts

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

	2024	2023
	£	£
Net assets as at 1 July 2023	(252,179)	155,933
Income for the year to 30 June 2024	4,659,860	4,020,922
Net surplus for the year to 30 June 2024	102,666	(408,112)
Net assets as at 30 June 2024	(149,513)	(252,179)

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

	2024	2023
	£	£
Net assets as at 1 July 2023	56,528	(19,109)
Income for the year to 30 June 2024	463,585	373,354
Net surplus for the year to 30 June 2024	(46,514)	75,637
Net assets as at 30 June 2024	10,014	56,528

### India – TCCO India Projects Pvt. Ltd

	2024	2023
	£	£
Net assets as at 1 July 2023	100,483	(33,473)
Income for the year to 30 June 2024	897,581	949,562
Net surplus for the year to 30 June 2024	77,631	133,956
Net assets as at 30 June 2024	178,114	100,483

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

	2024	2023
	£	£
Net assets as at 1 July 2023	(11,487)	(21,339)
Income for the year to 30 June 2024	-	323,896
Net surplus for the year to 30 June 2024	11,487	9,852
Net assets as at 30 June 2024	-	(11,487)

### Netherlands – Stichting Climate Group Europe

	2024	2023
	£	£
Net assets as at 1 July 2023	(42,933)	-
Income for the year to 30 June 2024	176,301	-
Net surplus for the year to 30 June 2024	(212,954)	(42,933)
Net assets as at 30 June 2024	(255,887)	(42,933)

## Notes to the accounts

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

	Notes	Restricted	Unrestricted	Year ended 30 June 2023 £
<b>Income from:</b>		£	£	£
<i>Donations and legacies</i>				
Donations & similar funding		-	142,067	<b>142,067</b>
Grants	2	5,479,070	888,384	<b>6,367,454</b>
		<hr/>	<hr/>	<hr/>
		5,479,070	1,030,451	<b>6,509,521</b>
<i>Charitable Activities</i>				
Membership and partnership income		-	3,175,693	<b>3,175,693</b>
Sponsorship and other		-	3,179,906	<b>3,179,906</b>
		<hr/>	<hr/>	<hr/>
		-	6,355,599	<b>6,355,599</b>
<b>Total income</b>		<hr/> 5,479,070	<hr/> 7,386,050	<hr/> <b>12,865,120</b>
<b>Expenditure on:</b>				
<i>Raising funds</i>		-	1,706,104	<b>1,706,104</b>
<i>Charitable activities</i>		5,479,070	6,739,743	<b>12,218,813</b>
		<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	3	<hr/> 5,479,070	<hr/> 8,445,847	<hr/> <b>13,924,917</b>
<b>Net income</b>	4	<hr/> -	<hr/> (1,059,797)	<hr/> <b>(1,059,797)</b>
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>
		<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		<hr/> (86,277)	<hr/> (973,800)	<hr/> <b>(1,060,077)</b>
Reconciliation of funds:				
Total funds brought forward		86,277	3,037,440	<b>3,123,717</b>
		<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>	11	<hr/>	<hr/> 2,063,640	<hr/> <b>2,063,640</b>