

CLIMATE BONDS INITIATIVE

England & Wales · Charity number 1154413

Details

Status Registered

Legal form Charitable company

Company number [07455730](#)

Registered 2013-10-31

Register [View on the Charity Commission register](#)

Contact

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Email info@climatebonds.net

Website <http://climatebonds.net>

Activities

Objects: THE COMPANY'S OBJECTS ("OBJECTS") ARE SPECIFICALLY RESTRICTED TO THE PRESERVATION AND CONSERVATION OF THE ENVIRONMENT FOR THE PUBLIC BENEFIT, IN PARTICULAR BUT NOT EXCLUSIVELY BY: A) SERVING AS A CATALYST TO MOBILISE THE GLOBAL INVESTMENT REQUIRED IN DEVELOPING AND DEVELOPED COUNTRIES TO ADDRESS THE THREAT OF CATASTROPHIC CLIMATE CHANGE; B) WORKING TO ALIGN GOVERNMENT POLICY, INDUSTRY DEVELOPMENT AND INSTITUTIONAL FINANCE TOWARD THE TIMELY AND AFFORDABLE DEPLOYMENT OF A GLOBAL LOW CARBON ECONOMY; AND C) ENSURING THE ENVIRONMENTAL CREDIBILITY OF DEBT ISSUANCE AND INVESTMENT.

Activities: CBI is an international not-for-profit which promotes the development of climate bonds. It aims to raise awareness about the existence and benefits of climate bonds and promote investments in them; proposes standards that establish what a green bond is, helping identify and label green bonds so that they may be recognized as such

Classification

- **How:** Provides Services, Sponsors Or Undertakes Research
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Australia
- Belgium
- Brazil
- Canada
- Chile
- China
- Colombia
- Cyprus
- France
- Greece
- India
- Italy
- Kazakhstan
- Malaysia
- Mexico
- Mongolia
- Netherlands
- Nigeria
- Philippines
- Poland
- Serbia
- South Africa
- Spain
- Switzerland
- United States
- Vietnam
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£9,505,558	£10,236,097	£917,029	57
2023-12-31	£8,800,744	£9,375,711	£1,647,568	56
2022-12-31	£6,825,829	£6,340,705	£2,222,535	47
2021-12-31	£6,543,597	£5,110,126	£1,737,411	35
2020-12-31	£0	£3,238,493	£303,940	31

Trustees

Name	Role	Appointed
Jonathan Stone		2021-07-26
Karen Kearney		2021-07-26
Kevin Steele		2022-08-18
Tallat Hussain		2025-07-08
Yulanda Chung		2024-05-23

CLIMATE BONDS INITIATIVE

England & Wales - Charity number 1154413

Accounts

Trustees' Report and Consolidated Financial Statements

for the year ended 31 December 2024



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Climate Bonds Initiative Charity Reference and Administrative Details

Trustees	Ms Doris Honold (Chair) Mr Nicholas Silver (<i>resigned 1 January 2024</i>) Mr Simon Cooper (<i>resigned 23 May 2024</i>) Ms Karen Kearney Mr Jonathan Stone Mr Kevin Steele Dr Rathin Roy Ms Elizabeth Grayer Ms Yulanda Chung (<i>appointed 23 May 2024</i>)
CEO	Mr Sean Kidney
Company Number	07455730
Charity Number	1154413
Registered Office	C/O Sedulo London Office 605 Albert House 256-260 Old Street London EC1V 9DD
Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD

Report of the Trustees

Trustees Annual Report

The Trustees confirm that the Annual Report and audited Financial Statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Companies Act 2006, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (applicable from 1 January 2019).

The company qualifies as Small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

Climate Bonds Initiative (Climate Bonds) is an international not-for-profit organisation mobilising global capital for climate action and resilience, ensuring investments support a sustainable, adaptive, and low-carbon future.

Climate Bonds has played a central role in transforming the green bond market from a niche concept into a mainstream source of capital for sustainable development. We drive quality and credibility through the development of science-based definitions and frameworks aligned with the Paris Agreement, including our Taxonomy, Standards and Certification Scheme. As financial market volatility increases and the world faces multiple intersecting crises, our mission has never been more urgent. Climate Bonds equips market participants with trusted tools, data, and policy guidance to accelerate the flow of capital towards projects that deliver real climate impact.

We must act now to reduce emissions and build the resilience of communities to withstand the worst effects of climate change. Influencing investment flows and shaping government financial policy are essential to achieving this.

Climate Bonds aims to contribute to a sustainable, green, and resilient future where societies and ecosystems thrive. Our Theory of Change outlines how we work towards the global goal of limiting warming to 1.5°C, with people and the planet better able to adapt to climate impacts.

Strategy

Catalyse the growth of a large and credible finance market that is aligned to 1.5 degrees and resilient economies.

Inspire investors to support the transition to a green and resilient future.

Influence governments to tilt the playing field towards green and resilient investments.

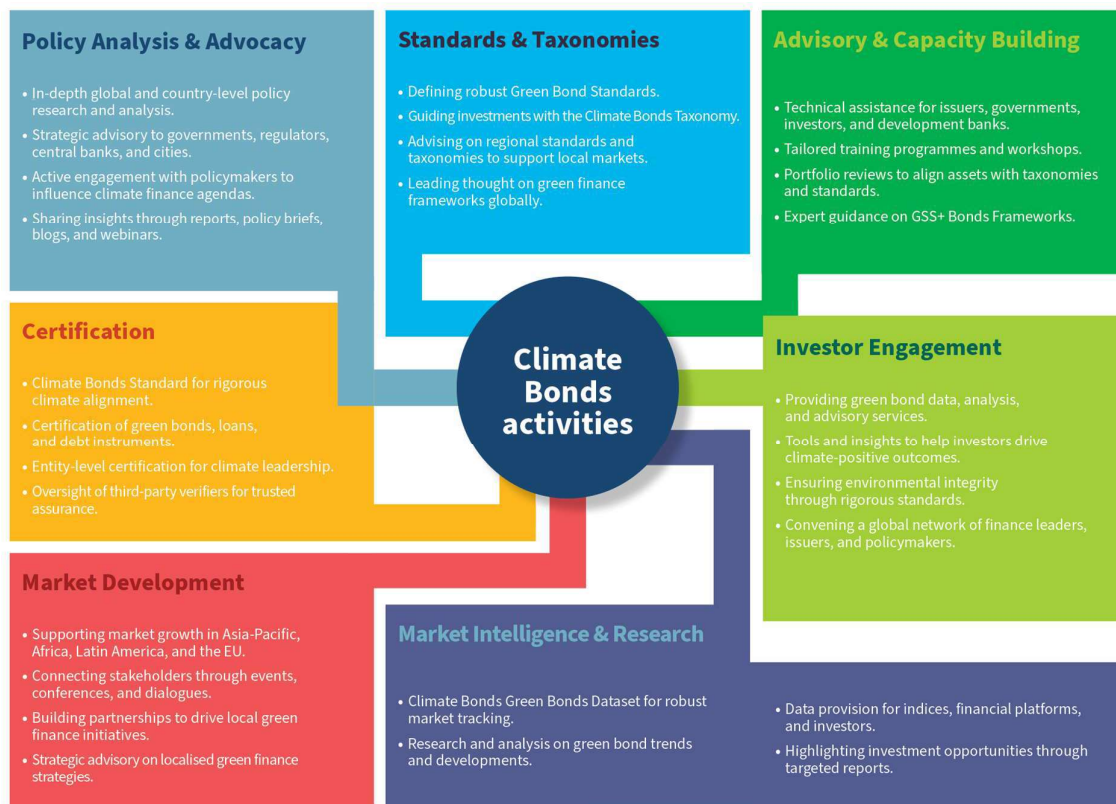
Optimise our impact by strengthening internal strategies, structures, finances and processes.

Climate Bonds' Theory of Change

Our Theory of Change outlines how we work towards the global goal of limiting warming to 1.5°C, with people and the planet better able to adapt to climate impacts.



Climate Bonds has a multi-faceted approach that is divided into several key areas of focus:



Achievements and Performance

Review of activities in the year 2024

With a mission to mobilise global capital for climate action, Climate Bonds aims to catalyse, inspire and influence a global collaboration of institutional investors, governments, development banks and industry to shift capital toward low-carbon and resilient investments. Under this strategy, plus our drive to optimise internal operations, we are pleased to report the key achievements of 2024.

Catalyse

On 24 October 2024, Climate Bonds delivered its tenth Climate Bonds CONNECT Global Conference in London, UK. This event convened over 400 leaders, innovators, and experts from across the globe to discuss the issues and opportunities presented by the transition to net-zero. From the launch of its new sector criteria for Agriculture, to the importance of pivoting financial flows to support adaptation and resilience, the conference explored Climate Bonds agenda to mobilise the debt markets to facilitate climate action. Our South East Asia team held their second Connect event in Mumbai on 17 September 2024, with support from Amundi and AIIB, and reinforced Climate Bonds' position as a key convenor, driving dialogue and collaboration on climate risks and sustainable finance in India.

Climate Bonds was appointed as a knowledge partner for the Brazilian presidency of the G20. This included a contribution to a report (presented to the Sustainable Finance Working Group (SFWG) in Belém) emphasising the crucial role of policymakers in mobilising private finance to support a credible and just transition in the steel and cement sectors. The paper served as a key reference, informing and being cited in the 2024 G20 Sustainable Finance Report.

Also in Latin America, Climate bonds successfully advanced the adoption of the Colombian Green Taxonomy (TVC). It hosted 38 training sessions that engaged 2,700 participants and developed 33 tailored tools to support key stakeholders throughout the implementation process. Subsequently, COP334.7bn (approximately £62m) was mobilised towards green and sustainable projects, contributing to the greening of the financial system in Colombia.

Climate Bonds actively participated in events across Latin America, including the Biodiversity COP16 in Colombia where it co-organised the Latin America and the Caribbean Finance and Biodiversity Day with partners such as UN, GFANZ, PRI, GRI, CPI and IDB. Climate Bonds also expanded its Stock Exchanges partnership in Latin America to ten, committing these exchanges to promote and reinforce their sustainable markets.

In India, Climate Bonds leads the Initiative on Climate Risk and Sustainable Finance (IICRSF), funded by CIFF, which supported critical policy inputs on climate risk assessment and transition planning for the Reserve Bank of India (RBI) and delivered targeted capacity-building to over 500 financial professionals across major banks. This deepened our work with financial institutions (such as SBI, Axis, Union Bank), focused on embedding climate risk and transition finance strategies into their policies, in line with RBI's guidelines. We also delivered workshops for RBI supervisory personnel in collaboration with the RBI College of Supervisors (CoS), and the banking system in general via the India Banks Association (IBA), further integrating climate risk and transition finance considerations systemically into the banking sector.

Climate Bonds collaborated with the Asian Development Bank to produce Accelerating Green Bonds for Municipalities in Southeast Asia, a report describing the necessary steps to stimulate growth in this market. Engagement work with key stakeholders in India led to Asia's first Certified Green Municipal Bond by Vadodara.

In China, Climate Bonds has played a pivotal role in providing much-needed guidance and clarity to the market. It has contributed to the rapid expansion of the investable universe and established itself as a credible partner in the development of definitions, such as the Hong Kong Taxonomy for Sustainable Finance, and by shaping transition finance guidelines at both the national and provincial levels.

In Europe, Climate Bonds published an in-depth guide to support European development finance institutions (DFIs) accelerate the mobilisation of capital, providing pragmatic and evidence-based recommendations on how DFIs and policymakers can overcome the practical challenges faced. We engaged with 6 DFIs during drafting, receiving positive feedback from all of them, including from the European DFI association (EDFI).

Climate Bonds organised its first EU-wide policy discussion on transition finance and buildings' decarbonisation, hosted in the European Parliament by senior MEPs, with more

than 100 policy makers from across the EU attending. The event was addressed by the IMF, Commission, MEPs, banking sector and energy businesses.

We also collaborated with the London School of Economics' Grantham Institute to publish a research paper on the use of bonds to finance a just transition. This research is key in broadening the general understanding of what bonds can achieve, particularly relevant in the context of a political backlash against green measures.

Inspire

Climate Bonds became a member of a third expert advisory group in the EU, the Commission's Investors' Dialogue on Energy, feeding its views into the Commission's proposal for energy investment. Climate Bonds spoke at the Commission's annual sustainable energy event.

The India team also hosted a high-level roundtable with 37 key investors and issuers and are initiating the first India Investor Survey on GSS+ finance with support from the Shakti Foundation.

Climate Bonds forthcoming State of the Market (India) report will document a 186% growth in cumulative GSS+ volume signalling strong market momentum in the region.

Climate Bonds research team has created strong visibility for Climate Bonds definitions through its Global State of the Market publications and continues to leverage this platform to maintain relevance. The Global State of the Market series includes an annual round up, and quarterly updates which include topical spotlights. For example, the H1 2024 report included a spotlight on France's leadership position in sustainable finance to coincide with the Olympic Games.

Climate Bonds Research has collaborated with Climate Bonds Technical Assistance on the assessment of Investor transition frameworks and is developing a framework to create a new business line in this area.

Here are just some of the other specific outcomes, inspired by Climate Bonds' work globally:

- Climate Bonds signed contracts to develop taxonomies in 15 countries: Australia, Brazil, Cambodia, Columbia, Fiji, Ghana, Hong Kong, Indonesia, New Zealand, Peru, the Philippines, Rwanda, Senegal, Singapore, and Thailand.
- Japan issued an \$11bn climate transition bond and Climate Bonds, the Hokkaido Government and the City of Sapporo issued a joint statement to promote Green Transformation.
- Also in Japan, Climate Bonds published an investor strategy which engaged many asset owners and asset managers, including: Nippon Life, GPIF, Asset Management One, Norinchukin, SMTAM, Manulife, Nikko am, Nissay am, Amundi, Fil investment, Mitsubishi UFJ, Tokyo Marine am, Schrodgers and MFS investment management. In addition, we established a partnership with the Asia Investor Group on Climate Change (AIGCC) for future collaborations.
- Climate Bonds and the International Fund for Agricultural Development (IFAD) launched a partnership to promote sustainable investment and rural transformation in developing nations.
- Climate Bonds, United Nations Environment Programme Finance Initiative (UNEP FI) and UN's Principles for Responsible Investment (PRI) partnered up in a joint effort to support global taxonomies.
- Climate Bonds and the European Mortgage Federation, Energy Efficient Mortgages Initiative (EMF-ECBC) joined forces to certify bonds in line with the EU taxonomy.
- Climate bonds signed a MoU with the China Hydrogen Alliance (CHA). With the hydrogen related climate bonds standard, Climate Bonds and CHA will deepen cooperation in research and capacity building to support the financing and implementation of high-quality, low carbon hydrogen projects in China.
- In the USA, the San Francisco Public Utilities (SFPUC) issued \$1bn in Climate Bonds certified green bonds to upgrade resilience of stormwater systems.

- Climate Bonds and the Institute for Global Environmental Strategies (IGES) jointly develop a strategy toolkit to promote transition finance.
- Climate Bonds is developing an adaptation and resilience taxonomy with support from multilateral funders such as the Global Environment Facility, a collaboration announced at COP in Baku.

Influence

In Europe, Climate Bonds extended its engagement at EU and national level, and its contribution is increasingly sought after to inform debate. Climate Bonds research was referenced in the Building's Decarbonisation report on the Commission's energy portal. Climate Bonds has participated in the debate on the simplification of the EU sustainable finance framework (Omnibus). Climate Bonds analysts have obtained visibility for their expertise on the subject through radio debates, podcasts, and an appearance on the EURONEWS channel.

In India, Climate Bonds also contributed to sub-national readiness through the Sequoia Climate Foundation-funded project across five Indian states, developing policy roadmaps and catalysing dialogue on sub-sovereign green bonds and green budgeting. This culminated in a high-impact multi-stakeholder roundtable and the release of knowledge products guiding state-level green finance planning.

Also in India, Climate Bonds regulatory engagement continued to support the Ministry of Finance on the development of India's national climate finance taxonomy through technical committee contributions. We have expanded our engagement with regulators and financial institutions in India (IFSCA, SEBI, RBI, PFRDA, IRDAI) enabling domestic institutional capital flows through green investment mandates. As a strategic node in South Asia, the Climate Bonds programme engaged deeply with financial regulators, development finance institutions (DFIs), sub-national governments, and investors to build the enabling environment for sustainable finance.

During 2024, the Global Policy Team also set out Climate Bond's policy strategy, which better defines the points that differentiate Climate Bonds' unique work in the climate finance

space. They have also defined a process to support regional teams in planning and executing policy work and launched a Policy Network for all staff working on policy issues.

Optimise

We laid out a plan before the start of the year to derisk the organisation's finances and create a solid financial platform for activities going forward.

The 4 constituents of the plan are:

- Grow independent and mission aligned commercial / repeat incomes, such as data services, network membership, certifications, capacity building and technical assistance.
- Extend our funding commitments, moving from isolated project funding arrangements to programmatic or 'themed' agreements covering multiple years.
- Expand the number of funding partners, reducing our dependence on a small number of large donors.
- Increase the flexibility of our cost base by developing wider partnership collaborations, outsourcing services and increase contract flexibility.

To achieve this, we had to make organisational changes, which unfortunately led to several redundancies. We also made significant appointments adding Ian Howard as Director of Climate Services at the end of 2023, to restructure our commercial operations. More recently, in January 2025, Ina Hoxha was appointed Chief Investment Officer (Deputy CEO) and Bláthnaid Byrne was brought in as Director of Global Strategic Engagement.

As well as financial restructuring and significant organisational changes, we have improved many other areas of the business, such as our data platform, our communications and marketing, resource management and financial reporting systems. We are now seeing the benefit of these actions as we progress through 2025.

Key Performance Indicators (KPIs)

In 2024, Climate Bonds Initiative made strong progress in advancing sustainable finance globally. Key achievements included continued growth in green bond issuance, expansion of its international footprint, and increasing alignment with its standards and methodologies.

- Green bonds issuance, aligned with the Climate bonds standards, grew 9% in 2024, and accounted for just over US\$670 billion.
- New Standards / Taxonomies were created in 15 countries
- At the end of December 2024, 82% of thematic debt volume captured by Climate Bonds was aligned with its database methodologies.
- Climate Bonds Global State of the Market 2023 report was downloaded from the Climate Bonds website 5,000 times.
- The number of network members fell from 95 at the end of 2023 to 87 at the end of 2024, as we restructured the product and focused on higher value for clients. Average income per member increased by 9% and overall Partnerships income remained at £1.23m
- Climate Bonds Initiative continues to increase its geographical reach. At the end of the year we had staff based in 25 countries and were actively managing projects across all 5 continents.
- Income growth of 8% achieved.

Financial review

The Balance Sheet is shown on page 25 of this document, with further analysis shown in notes 12-21 on pages 27-42.

For the year ended 31 December 2024, the Charity had income of £9.5m (2023: £8.8m) and incurred expenditure of £10.2m (2023: £9.4m).

Climate Bonds continued to grow significantly in 2024, increasing our income by 8%. We worked on 79 projects across Latin America, India, China, Europe, Australia and South East Asia.

Climate Bonds unrestricted funds at the end of 2024 was £0.9m (2023: £1.5m). Net assets of the Charity at the year-end amounted to the same £0.9m (2022: £1.6m).

2024 was a challenging year financially for Climate Bonds, having to readjust the organisation and our processes to accommodate 6 years of growth totalling nearly 400%,

greater regulatory and compliance requirements globally, and the end of some favourable grant arrangements with our largest funding partners.

Action was taken to minimise the impact of these changes without compromising our mission; to de-risk our finances, improve the reliability of our income streams and reduce our cost base.

In the second half of the year and into 2025, with the help of our funding partners, we have seen the very positive impact of these changes, and we are now well on track to restore reserves to the target set by the Trustees.

Future Plans

A specific target for 2025 is to develop and enhance our toolkit to address adaptation and resilience. Going forward, Ina Hoxha is leading a major strategic exercise, with the support of our key funders and a top strategy consultant, to develop our programmes to ensure we deliver optimal impact across all that Climate Bonds works and engages on.

We will define the macro landscape, understand the pain points and needs of our customers and the wider market, and identify priorities where Climate Bonds can have greatest impact.

We will then improve the strategies to best deliver in these areas and establish the organisation, workplans and timelines to implement accordingly.

Public Benefit Statement

The Charity has regard to the guidance on public benefit published by the Charity Commission.

Climate change is an enormous worldwide challenge that will affect nations, communities and societies. Addressing that challenge requires huge levels of financing immediately, as well as in the near to medium future. Climate and green bonds have the potential to make a major contribution to that financing. For the climate bonds market to grow, investments need to be underpinned by confidence in the green credentials of bonds. The Charity manages

the Climate Bonds Standards that play a vital role in ensuring that there is confidence and credibility in these investments.

Details of activities in furtherance of public benefit are set out in this report.

Principal Risks and Uncertainties

The Trustees have assessed the major risks that the Charity faces in relation to its operations and finances and are satisfied that the Charity is taking the action necessary to mitigate its exposure to these risks. A risk assessment register is being maintained and updated on a regular basis.

The main risks and uncertainties facing the Charity relate to:

- Financial stability: Ensuring that the Charity's sources of income continue in the future requires maintaining a range of income streams, maintaining and extending good relationships with financial supporters, sound financial governance, and continuing to provide guidance and encouragement that is respected and well-received by the international financial markets and governmental regulators.
- Lack of engagement from potential bond issuers: If bond issuers do not recognise the value of issuing green bonds the charity's overall objective to stimulate green growth is diminished.
- Lack of engagement from other financial market stakeholders such as investors, underwriting banks and domestic/international development banks.
- Lack of participation by policymakers and regulators because of disinterest in engaging with our outputs and advocacy. This could put the Climate Bonds Initiative's leading international standing at risk.

Reserves Policy

Climate Bonds aims to maintain reserves above a minimum level deemed appropriate by the Board of Trustees. The reserves target will be reviewed quarterly and reported to the Trustees at each Board meeting. The target may be adjusted based on the organization's

review and will be influenced by various factors, including:

- Economic conditions
- Fluctuations in income and expenditure
- Anticipated future commitments
- Potential risks and uncertainties
- The strategic plan and organizational priorities

Calculation of Minimum Reserves Target:

The Minimum Reserves Target for Climate Bonds is reviewed at least every year by the Finance Steering Committee and approved by the Board of Trustees. The minimum reserve target will be based on a calculation of the emergency wind-up costs of Climate Bonds in the unlikely event of a major, adverse and irrecoverable failure. The Board will also review other reserve calculations to ensure that the minimum reserve target is not significantly out of line with these alternative minimum reserve calculations. These include:

- To maintain current levels of activity in the event of a major disruption to Income
- Aggregate net cost of risks based on impact and probability of negative events
- Appropriate number of months unrestricted expenditure

The minimum reserve target at the end of 2024 was assessed to be £600,000. The actual reserves were £917,029. The Trustees determined that reserves, although above the minimum, were too low, particularly as Climate Bonds had grown significantly, and therefore set a target reserve level of £1.5m by the end of 2025.

Structure, governance and management

Climate Bonds Initiative is a company limited by guarantee and a registered charity. The Charity's memorandum and articles of association are its primary governing documents. The Trustees of Climate Bonds Initiative are also the directors of the charitable company for the purposes of company law. Climate Bonds Initiative has a wholly owned subsidiary, Climate Bonds Services Limited, which is included in the consolidated financial statements. We have also established two wholly owned overseas subsidiaries: CBI Europe ABSL and Low Carbon World (Shanghai) Business Consulting Corporation, Ltd, designed to accommodate

our activities in those regions, achieving alignment with funding partners and to meet local compliance requirements.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 2.

Trustees

Trustees are elected by recommendation from existing charity trustees and by confirmation by the Chair of the Board. An appropriate vetting process is overseen by the Chair.

Climate Bonds appoints and recruits new trustees through its wide network of supporters, bearing in mind the skills required. The overall performance of the Charity is the responsibility of the Board, but day-to-day decision-making is delegated to the Chief Executive Officer, Chief Operations Officer and Chief Investment Officer (Deputy CEO), supported by the Senior Leadership Team. Key strategic direction and major issues of policies and procedures are set by the Board for implementation by the CEO, COO and CIO. The induction and training of trustees is handled through a series of individual meetings with key personnel.

The Board sets the compensation of the CEO and provides guidance for setting compensation and remuneration for other senior staff.

The remuneration of key management personnel is determined by the Board of Trustees, which review market benchmarks and comparable charities within the sector. Annual pay awards are aligned with performance assessments and sector-wide trends.

Key management personnel

The key management personnel of the group during 2024 consist of the Trustees, the Chief Executive Officer and the Chief Operations Officer:

Chief Executive Officer: Sean Kidney

Chief Operations Officer: Nicola Adams-Hendry

In addition, the following individuals served on the Senior Leadership Team during the year:

Director of Climate Services: Ian Howard

Director of Environmental Impact & Thought Leadership: Anna Creed

Director of Finance: Duncan Perritt

Director of People & Culture: Helen Ferguson

Director of Strategic Communications & Marketing: Selena Chapman and Penny Cross

Director of Strategic Programmes: Ujala Qadir

Director of Technical Development: Bridget Boulle (to 29/02/2024)

Director of Technical Development: Caroline Harrison (from 01/03/2024)

Principal Technical Advisor: Bridget Boulle (From 01/03/2024)

General Counsel: Rosamund Barker

On 27/01/2025 Ina Hoxha was appointed to the position of Chief Investment Officer (Deputy CEO) and on 13/01/2025 Bláthnaid Byrne was brought in as Director of Global Strategic Engagement

Related parties

See note 20.

Trustees' responsibilities in relation to the financial statements

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

Company law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS102);
- 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;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to the Auditors:

We, the Directors of the charitable company who held office at the date of approval of these Financial Statements as set out above, each confirm, so far as we are aware, that: there is no relevant audit information of which the charitable company's auditors are unaware; and we have taken all steps that we ought to have taken as Directors to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditor

PKF Littlejohn LLP was appointed as auditor during 2020 and have indicated their willingness to continue in office.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

Approval

This report was approved by the Board on 8 August 2025 and signed on its behalf.

Doris Honold

Doris Honold (Aug 11, 2025, 9:29am)

Doris Honold, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CLIMATE BONDS INITIATIVE**Opinion**

We have audited the financial statements of Climate Bonds Initiative (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2024, and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 the light of the knowledge and understanding of the group and parent 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' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company 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 group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sectors in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, employee and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to:
 - enquiries of management; and
 - review of minutes
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that provisions for doubtful debts and other liabilities as well as accruals and deferrals could be subject to management bias. We have reviewed the calculations for provisions and the assumptions involved. We also reviewed the application of cut-off through accrued and deferred income. No issues were identified.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. No issues were identified in our review.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date 3 September 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income from:					
Charitable activities	2	4,905,120	4,595,026	9,500,146	8,667,710
Bank interest	3	5,412	-	5,412	4,827
Other trading income	4	-	-	-	128,207
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		4,910,532	4,595,026	9,505,558	8,800,744
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Charitable activities	5	4,847,569	4,715,678	9,563,247	8,923,129
Trading activities		672,850	-	672,850	452,582
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		5,520,419	4,715,678	10,236,097	9,375,711
		<hr/>	<hr/>	<hr/>	<hr/>
Net loss	9	(609,887)	(120,652)	(730,539)	(574,967)
Transfers between funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		(609,887)	(120,652)	(730,539)	(574,967)
		<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of Funds:					
Total funds brought forward		1,526,916	120,652	1,647,568	2,222,535
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		917,029	-	917,029	1,647,568
		<hr/>	<hr/>	<hr/>	<hr/>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on page 27 to 42 form part of these Financial Statements.

	Notes	Consolidated		Charity	
		2024 £	2023 £	2024 £	2023 £
Fixed Assets					
Investments	12	-	-	200,148	100,112
Intangible fixed assets	13	201,215	77,101	201,215	77,101
Tangible fixed assets	14	59,630	61,296	58,395	59,603
		<u>260,845</u>	<u>138,397</u>	<u>459,758</u>	<u>236,816</u>
Current Assets					
Debtors	15	1,710,669	798,483	2,602,689	1,367,034
Cash		3,809,097	4,804,909	3,657,119	4,520,965
		<u>5,519,766</u>	<u>5,603,392</u>	<u>6,259,808</u>	<u>5,887,999</u>
Creditors: amounts falling due within one year	16	(4,863,582)	(4,094,221)	(4,824,863)	(4,075,367)
Net Current Assets		<u>656,184</u>	<u>1,509,171</u>	<u>1,434,945</u>	<u>1,812,633</u>
Net Assets		<u>917,029</u>	<u>1,647,568</u>	<u>1,894,703</u>	<u>2,049,449</u>
Charity Funds	17				
Unrestricted funds		917,029	1,526,916	1,894,703	1,928,797
Restricted funds		-	120,652	-	120,652
Total Funds		<u>917,029</u>	<u>1,647,568</u>	<u>1,894,703</u>	<u>2,049,449</u>

The Charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006. The unconsolidated deficit for the year ended 31 December 2024 is £154,746 (2023: £249,174).

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved and authorised for issue by the Board of Trustees on 8 August 2025 and were signed on its behalf by:

Doris Honold

Doris Honold (Aug 11, 2025, 9:29am)

Doris Honold

Trustee

The notes on pages 27 to 42 form part of these Financial Statements.

	Notes	2024 £	2023 £
Net cash flow provided by operating activities	19	(839,441)	(883,371)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(17,980)	(34,410)
Payments to acquire intangible fixed assets		(143,803)	(43,449)
Bank interest		5,412	4,827
Net cash flow used in investing activities		(156,371)	(73,032)
Change in cash and cash equivalents in the year		(995,812)	(956,403)
Cash and cash equivalents at 1 January		4,804,909	5,761,312
Cash and cash equivalents at 31 December		3,809,097	4,804,909

The notes on pages 27 to 42 form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

General Information

Climate Bonds Initiative is a company limited by guarantee and is registered with the Charity Commission (charity number 1154413) and the Registrar of Companies (company number 07455730) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited £1 per member of the Charity. The address of the registered office is shown under Charity Reference and Administrative Details.

Basis of Preparation of Accounts

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements consolidate Climate Bonds Initiative and its wholly owned subsidiaries, Climate Bonds Services Limited, Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd. and Climate Bonds Initiative (Europe) ASBL, registered in Belgium.

The financial statements are prepared in sterling which is the functional currency of the charity.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees consider that no material uncertainties exist concerning the charity's ability to operate for the foreseeable future.

The trustees have considered the charity's ability to meet its liabilities as they arise over the foreseeable future to July 2026, being 12 months from the date of approval of these financial statements. Accordingly, financial forecasts and cash flow projections have been prepared for this period.

The trustees recognise that in a period of growth there are some uncertainties that exist in the assumptions underlying these forecasts, principally concerning income generation and have identified actions to be taken as appropriate risk mitigation should these assumptions and forecasts not be adequately achieved.

Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

The Charity received government and other grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Verification fees, certification fees, reports income and events income are recognised in full when the charity is entitled to the income.

1. Accounting Policies (continued)

Annual partner subscriptions are recognised over the 12-month period to which they relate, with the balance at the year-end included as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

On receipt, donated professional services and donated facilities are recognised as gifts in kind on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services of facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Redundancy and termination payments are recognised immediately upon becoming a constructive obligation. Expenditure is categorised under the following headings:

- Costs of raising funds includes are those costs incurred in attracting donations, and those incurred in trading activities that raise funds; and
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office premises costs, finance, HR, IS/IT, legal and governance costs and management and administration costs. They are incurred directly and necessarily in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in notes 7 and 8.

Intangible fixed assets

Intangible fixed assets are assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible fixed assets are recorded at historical cost and amortised on a straight-line basis over 4-5 years.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Charity are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use or sell it.
- There is an ability to use or sell the software.
- It can be demonstrated how the software will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available.
- The expenditure attributable to the software during its development can be reliably measured.

1. Accounting Policies (continued)

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or net realisable value after depreciation. The cost of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight-line basis:

Plant and machinery	20%
Office equipment	20%

Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Creditors are recognised when the Charity has a present or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Foreign Currency

The consolidated financial statements are presented in UK pounds sterling (£'s), the functional currency of the charity. For project planning purposes, the charity uses a standard exchange rate for the year. All transactions denominated in foreign currencies are translated at the spot rate, the actual rate achieved at the time of the transaction.

All balance sheet balances are translated at the prevailing year-end rate. Any gains or losses resulting from exchange rates are recognised through the SoFA.

Funds and Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objective of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

1. Accounting Policies (continued)**Financial instruments**

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

- Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at transaction cost. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at transaction cost. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- 75% capitalisation of graphic design (or front-end development) of website, and subsequent amortisation.
- Capitalisation of software in development
- Intercompany recharge

2. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Projects, advocacy and guidance	4,905,120	4,595,026	9,500,146	8,667,710

3. Bank interest

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Bank interest	5,412	-	5,412	4,827

4. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Trading	-	-	-	128,207

5. Expenditure on Charitable Activities

	Direct Costs £	Support Costs £	Total 2024 £	Total 2023 £
Projects, advocacy and guidance	8,519,656	1,043,591	9,563,247	8,923,129
Totals 2023	8,048,005	875,124	8,923,129	

6. Direct costs

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Consultancy costs	3,545,043	308,031	3,853,074	3,548,562
Other direct costs	7,160	777,421	784,581	773,363
Travel and subsistence	189,866	102,737	292,603	268,714
Staff costs	989,651	2,599,747	3,589,398	3,457,366
Reallocated costs	(704,068)	704,068	-	-
Total	4,027,652	4,492,004	8,519,656	8,048,005

7. Support costs

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Conference event costs	91,164	63,268	154,432	36,887
Establishment and general administration	588,147	155,344	743,491	550,035
Support staff costs	5,310	-	5,310	7,644
Governance costs	30,206	2,300	32,506	24,366
Depreciation	19,188	-	19,188	16,595
Amortisation	19,689	-	19,689	10,724
Foreign exchange loss	66,213	2,762	68,975	228,873
	<hr/>	<hr/>	<hr/>	<hr/>
Total	819,917	223,674	1,043,591	875,124
	<hr/>	<hr/>	<hr/>	<hr/>

8. Governance costs

	Total 2024 £	Total 2023 £
Legal and professional	17,506	4,771
Auditor's remuneration	15,000	14,500
- audit	-	5,095
- other services	-	-
	<hr/>	<hr/>
	32,506	24,366
	<hr/>	<hr/>

9. Net income for the year

The net income is stated after charging:

	Total 2024 £	Total 2023 £
Depreciation of tangible fixed assets	19,646	16,595
Amortisation of intangible fixed assets	19,689	10,724
Net losses on foreign exchange	68,975	228,873
	<hr/>	<hr/>

10. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	Total 2024 £	Total 2023 £
Wages and salaries	3,490,813	3,076,689
Social security	344,524	320,384
Defined contribution pension costs	76,117	69,092
Redundancy costs	141,899	-
	<hr/>	<hr/>
	4,053,353	3,466,165
	<hr/>	<hr/>

10. Staff costs and employee benefits (continued)

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Number of employees	
	2024	2023
£60,001 to £70,000	2	6
£70,001 to £80,000	6	4
£80,001 to £90,000	2	2
£90,001 to £100,000	2	-
£100,001 to £110,000	-	1
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-

During the year, the charity paid £19,372 (2023: £21,133) under a defined contribution pension scheme on behalf of staff.

Total redundancy / termination cash payments of £141,899 (2023: £nil) were made to 13 individuals (2023: none). No amounts were outstanding at year end.

The average monthly number of employees during the year was as follows:

	Number of employees	
	2024	2023
Staff	57	56

11. Trustees' and key management personnel remuneration and expenses

No trustees (2023 - one) received any remuneration or reimbursement of travel expenses from the charity during the year (2023 - £1,824).

The trustees consider the board of trustees, the Chief Executive Officer and the Chief Operating Officer as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. The total amount of employee benefits received by key management personnel during the year was £226,875 (2023: £254,829).

12. Investments (Charity)

Cost	2024 £	2023 £
Investment in Climate Bond Services Limited	100	100
Investment in Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd	200,048	100,012
	<u>200,148</u>	<u>100,112</u>

Climate Bonds Initiative has 100% control of Climate Bond Services Limited (Company registration number 11715956), a company registered by share capital and whose registered office is First Floor, Queen Street Place, London, EC4R 1BE. The subsidiary year-end is also 31 December 2024. The company was incorporated on 6 December 2018. The major activities of the company comprised the hosting of the Climate Bonds Initiative annual conference, for which commercial sponsorship was obtained. The income for Climate Bonds Services does not include individual attendee ticketed income, which is included in Climate Bonds Initiative. The summary financial performance of the subsidiary for the year ended 31 December 2024 is as follows.

12. Investments (Charity) (continued)

	2024	2023
	£	£
Turnover	-	128,194
Cost of sales	-	(116,065)
Administrative expenses	(6,319)	(73,324)
	<u> </u>	<u> </u>
Operating loss	(6,319)	(61,195)
Gift aid to parent	-	-
	<u> </u>	<u> </u>
Result for the period	(6,319)	(61,195)
	<u> </u>	<u> </u>
Current assets	29,364	288,677
Current liabilities	(101,047)	(292,851)
	<u> </u>	<u> </u>
Net liabilities	(71,683)	(4,174)
	<u> </u>	<u> </u>

Climate Bonds Initiative has 100% control of Climate Bonds Initiative (Europe) ASBL (Company registration number 0730.588.756), a company registered by share capital and whose registered office is Chaussée de Louvain, 233, 1410 Waterloo, Belgium. The subsidiary year-end is also 31 December 2024. The company was incorporated on 6 December 2018. The company is intended to become a hub for Climate Bonds Initiative's activities in mainland Europe, especially in a post-Brexit era. The summary financial performance of the subsidiary for the period ended 31 December 2024 is as follows.

	2024	2023
	£	£
Turnover	-	-
Administrative expenses	(623,627)	(232,686)
	<u> </u>	<u> </u>
Result for the year	(623,627)	(232,686)
	<u> </u>	<u> </u>
Fixed assets	1,235	1,693
Current assets	22,542	1,809
Current liabilities	(905,976)	(262,082)
	<u> </u>	<u> </u>
Net liabilities	(882,199)	(258,580)
	<u> </u>	<u> </u>

Climate Bonds Initiative established a subsidiary in China, Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd [Unified Social Credit Code: 91310115MA1K4MYU00]. Climate Bonds Initiative retains 100% control of the company, whose registered address is: No. 14, Lane 1502 Luoshan Road China (Shanghai) Free Trade Pilot Zone. The results for the year to 31 December 2024 were:

	2024	2023
	£	£
Turnover	20	50
Administrative expenses	(42,882)	(31,191)
	<u> </u>	<u> </u>
Result for the year	(42,862)	(31,141)
	<u> </u>	<u> </u>
Current assets	108,974	24,364
Current liabilities	(32,064)	(5,078)
	<u> </u>	<u> </u>
Net assets	76,910	19,286
	<u> </u>	<u> </u>

12. Investments (Charity) (continued)

Share capital	200,048	100,012
Retained earnings	(123,138)	(80,276)
	<u> </u>	<u> </u>
Reserves	76,910	19,286
	<u> </u>	<u> </u>

13. Intangible Fixed Assets (Group and Charity)

Cost	Website and database £	Asset under construction £	Total £
At beginning of year	246,166	-	246,166
Additions	19,971	123,832	143,803
	<u> </u>	<u> </u>	<u> </u>
At end of year	266,137	123,832	389,969
	<u> </u>	<u> </u>	<u> </u>
Amortisation			
At beginning of year	169,065	-	169,065
Charge for the year	19,689	-	19,689
	<u> </u>	<u> </u>	<u> </u>
At end of year	188,754	-	188,754
	<u> </u>	<u> </u>	<u> </u>
Net Book Value			
At 31 December 2024	77,383	123,832	201,215
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	77,101	-	77,101
	<u> </u>	<u> </u>	<u> </u>

14. Tangible Fixed Assets (Group)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	137,663	138,087
Additions	-	17,980	17,980
Disposals	(424)	(36,116)	(36,540)
	<u> </u>	<u> </u>	<u> </u>
At end of year	-	119,527	119,527
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At beginning of year	424	76,367	76,791
Charge for the year	-	19,646	19,646
Disposals	(424)	(36,116)	(36,540)
	<u> </u>	<u> </u>	<u> </u>
At end of year	-	59,897	59,897
	<u> </u>	<u> </u>	<u> </u>
Net Book Value			
At 31 December 2024	-	59,630	59,630
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	-	61,296	61,296
	<u> </u>	<u> </u>	<u> </u>

14. Tangible Fixed Assets (Charity)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	135,059	135,483
Additions	-	17,980	17,980
Disposals	(424)	(36,116)	(36,540)
	<hr/>	<hr/>	<hr/>
At end of year	-	116,923	116,923
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	424	75,456	75,880
Charge for the year	-	19,188	19,188
Disposals	(424)	(36,116)	(36,540)
	<hr/>	<hr/>	<hr/>
At end of year	-	58,528	58,528
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2024	-	58,395	58,395
	<hr/>	<hr/>	<hr/>
At 31 December 2023	-	59,603	59,603
	<hr/>	<hr/>	<hr/>

15. Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	728,606	392,861	728,606	374,147
Prepayments and accrued income	875,169	405,622	868,898	404,540
Intercompany debtor	-	-	898,291	588,347
Others	106,894	-	106,894	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,710,669	798,483	2,602,689	1,367,034
	<hr/>	<hr/>	<hr/>	<hr/>

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	303,664	159,834	287,839	137,279
Social security and other taxes	62,296	66,229	64,927	81,190
Other creditors	6,274	142,730	6,274	142,729
Accruals and deferred income*	4,491,348	3,725,428	4,465,823	3,714,169
	<hr/>	<hr/>	<hr/>	<hr/>
	4,863,582	4,094,221	4,824,863	4,075,367
	<hr/>	<hr/>	<hr/>	<hr/>

***Deferred income:**

	£
Brought forward at 1 January 2024	3,392,268
Incoming resources deferred during the year	4,196,059
Amounts released from previous years	(3,392,268)
	<hr/>

Carried forward at 31 December 2024 4,196,059

17. Fund reconciliation (consolidated)

Current Year	Balance as at 1.1.24	Income	Expenditure	Transfers	Balance as at 31.12.24
	£	£	£	£	£
UNDP	438	-	(438)	-	-
Oak Foundation	-	41,066	(41,066)	-	-
World Resources Institute (WRI)	2,724	-	(2,724)	-	-
BEIS	12,918	-	(12,918)	-	-
Agora Foundation	185	-	(185)	-	-
ECF EU Taxonomy 2020	1,597	-	(1,597)	-	-
ECF EU Taxonomy 2021	(1,856)	-	1,856	-	-
ECF EU Taxonomy 2022	(1)	-	1	-	-
FSD Africa	71,969	-	(71,969)	-	-
GIZ ASEAN	1,491	-	(1,491)	-	-
Growald Foundation	5,238	134,571	(139,809)	-	-
IPSF GIZ 2020	110,161	-	(110,161)	-	-
IPSF GIZ 2021-22	(111,655)	-	111,655	-	-
The Children's Investment Fund	-	1,136,929	(1,136,929)	-	-
The Foreign Commonwealth and Development Office	(769)	94,675	(93,906)	-	-
UK PACT China	8,286	-	(8,286)	-	-
UNDRR	499	-	(499)	-	-
Laudes Foundation 2021-23	4,704	54,018	(58,722)	-	-
New Venture Fund	10,626	853,951	(864,577)	-	-
Tara Climate Limited	-	198,865	(198,865)	-	-
Forsythia Foundation	1,432	-	(1,432)	-	-
Scaling Up Finance for India's Green Transition	2,665	199,282	(201,947)	-	-
ECF China Steel	-	171,826	(171,826)	-	-
Transition Climate Arc 2023	-	46,824	(46,824)	-	-
LSE Just Transition	-	17,412	(17,412)	-	-
UK Pact Colombia	-	227,616	(227,616)	-	-
Taxonomy Brazil UNEP 2024	-	75,515	(75,515)	-	-
Herlin China	-	122,262	(122,262)	-	-
LAC UNEP Biodiversity Framework 2023	-	110,245	(110,245)	-	-
ECF DFI 2023	-	53,469	(53,469)	-	-
Abatement of methane emissions in agriculture and energy sectors	-	1,056,500	(1,056,500)	-	-
Total restricted funds	120,652	4,595,026	(4,715,678)	-	-
General Funds	1,526,916	4,910,532	(5,520,419)	-	917,029
Total unrestricted funds	1,526,916	4,910,532	(5,520,419)	-	917,029
Total funds	1,647,568	9,505,558	(10,236,097)	-	917,029

17. Fund reconciliation (consolidated) (continued)

Prior Year	Balance as			Transfers	Balance as
	at 1.1.23	Income	Expenditure		at 31.12.23
	£	£	£	£	£
UNDP	-	-	438	-	438
G & B Moore Foundation	1,033	326,585	(327,619)	-	-
Oak Foundation	1,959	124,934	(126,893)	-	-
World Resources Institute (WRI)	2,724	-	-	-	2,724
BEIS	11,356	46,998	(45,437)	-	12,918
Agora Foundation	185	-	-	-	185
ECF EU Taxonomy 2020	1,597	-	-	-	1,597
ECF EU Taxonomy 2021	(1,856)	-	-	-	(1,856)
ECF EU Taxonomy 2022	(1)	-	-	-	(1)
FSD Africa	29,999	67,207	(25,237)	-	71,969
GIZ ASEAN	1,491	-	-	-	1,491
Growald Foundation	-	235,277	(230,038)	-	5,238
IPSF GIZ 2020	110,161	-	-	-	110,161
IPSF GIZ 2021-22	(111,655)	-	-	-	(111,655)
The Children's Investment Fund	-	2,164,483	(2,164,483)	-	-
The Foreign Commonwealth and Development Office – India 2021	1	-	-	-	-
The Foreign Commonwealth and Development Office	-	190,275	(191,044)	-	(769)
UK PACT China	8,056	181,174	(180,946)	-	8,286
UK PACT India	3	-	(3)	-	-
UNDRR	1,029	42,161	(42,692)	-	499
Laudes Foundation 2021-23	-	336,485	(331,781)	-	4,704
New Venture Fund	12,964	645,123	(647,462)	-	10,626
Tara Climate Limited	6,586	156,703	(163,289)	-	-
Forsythia Foundation	-	61,785	(60,353)	-	1,432
European Climate Foundation	-	83,842	(83,842)	-	-
Scaling Up Finance for India's Green Transition	-	460,879	(458,214)	-	2,665
Total restricted funds	75,632	5,123,911	(5,078,891)	-	120,652
General Funds	2,146,903	3,676,833	(4,296,820)	-	1,526,916
Total unrestricted funds	2,146,903	3,676,833	(4,296,820)	-	1,526,916
Total funds	2,222,535	8,800,744	(9,375,710)	-	1,647,568

Purposes of Restricted Funds:**UNDP**

Support for Climate Bonds Initiative to participate in Working Group "Developing Taxonomy for Indian Government.

G & B Moore Foundation

Driving the Development of Green Agri Bonds in Brazil and China.

Oak Foundation

The Oak Foundation granted Climate Bonds a grant to support the core work of the organisation in China

World Resources Institute (WRI)

Support to WRI project entitled "Transformational Project Pipelines for NDC Implementation" Signed in 2019 and extended to Sept 2022.

BEIS

The Secretary of State for Business, Energy and Industrial Strategy has funded this project for Capacity building for transition finance market and dissemination materials, Implementation guide development for the China and UK Green Taxonomy Insert

Agora Foundation

SEFEP GmbH Agora Energiewende funded Climate Bonds Initiative with a grant for working in the context of "CRUX Policy Centre Power" with the objective of enabling the energy transition in South Africa by building capacity for green bonds (June 2020 - January 2021) with €70,000. SEFEP (Smart Energy for Europe Platform) received the grant funding from the Aspen Global Change Institute (AGCI).

European Climate Foundation:**ECF EU Taxonomy 2020**

The European Climate Foundation funded this project to step up engagement and capacity building activities with key stakeholders, such as Member States, around EU green taxonomy developments and future plans. Also, it continues Climate Bonds Initiative's technical engagement with EU on next iteration of taxonomy.

ECF EU Taxonomy 2021

EU Sustainable Finance Taxonomy - Ensuring alignment to 1.5 degree pathways and supporting the growth of a Taxonomy-aligned green bond markets in key Member States in Europe.

ECF EU Taxonomy 2022

EU Sustainable Finance Taxonomy - to support the growth of a 1.5 degree aligned green bonds market across Europe (Phase 3).

ECF China Steel

ECF-PIE is supporting the work of Climate Bonds to accelerate steel decarbonisation in China

FSD Africa

The Financial Sector Deepening Africa (FSDA) has funded this project to Climate Bonds Initiative to act as the lead consultant in the Nigerian Green Bonds Programme. Climate Bonds Initiative has provided support for Green Bond Issuance, which involves issuance of guidelines and listing requirements for green bonds, developing a pool of Nigeria-based Licenced verifiers, developing a pipeline of green investments, developing an international collaboration, and developing a debt capital market reform agenda to support green bonds under the Debt Capital Markets Development. (April 2018 - June 2021) with £110,320.

GIZ ASEAN

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) funded this project to assess the "EU Sustainable Finance Action Plan to Finance a Green Corona Recovery" in the ASEAN Region (Dec 2020 - Aug 2021) with €447,147.

Growald Foundation

The Growald Foundation has funded this project to deliver: (i) Green infrastructure investment opportunities report and investor forum for GBA, (ii) Market education and trainings to relevant stakeholders in GBA* on green bonds, (iii) Guidelines on green transition finance for China with a focus on Guangdong/GBA (July 2020 - October 2021) with \$100,000.

(* GBA is the Greater Bay Area of China comprising Hong Kong and neighbouring Chinese cities)

IPSF GIZ

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) has funded this project to support the International Platform on Sustainable Finance (IPSF), an initiative of the EU's DG FISMA (June 2020 - April 2021) with €175,716.

IPSF GIZ 2021/22

IPSF Technical support Phase 2 (International Platform for Sustainable Finance).

The Children's Investment Fund

Accelerated industrial decarbonisation in Europe through dedicated transition financing to industrial companies

The Foreign Commonwealth and Development Office

FCO (UK Foreign and Commonwealth Office) funded the project "Using Green Bonds to Raise International Capital for India's Transition to a Low-Carbon and Climate Resilient Economy Phase –(II)" from January 2018 to July 2018 in a total amount up to £57,717

UK PACT – China

Accelerating high-quality growth in China's Green Bond market and supporting post-COVID Green Economic Recovery.

UK PACT – India

Strengthening climate risk assessment and enabling central bank supervision in the Indian financial sector: a partnership with frontrunning banks and DFIs.

UNDRR - United Nations Office for Disaster Risk Reduction

Developing Climate Resilience Definitions for Thematic Debt Markets

Laudes Foundation 2021/23

EU Building Programme on Energy Efficiency

New Venture Fund

Preparation of Concept Note for Transition Proposal on Land use.

Tara Climate Limited:**Tara Japan 2023**

This project seeks to accelerate the mobilisation of capital for financing the net-zero transition in six (6) target countries of Cambodia, Indonesia, Malaysia, Thailand, Vietnam, and Japan.

Tara Vietnam 2024

This grant from Tara Climate Foundation supports a project aimed at accelerating the impactful use of transition finance instruments -namely climate-themed debt (be it bonds or bank debt)- and facilitate investments in real-economy decarbonisation initiatives within Vietnam's industrial sector; thereby supporting Vietnam's NDCs, and international commitments to facilitate a swift transition to net-zero emissions, aligned with Climate Bonds' vision of a sustainable, green, and resilient future

Tara Japan +Thailand 2024

Tara is supporting Climate Bonds's work in Japan and Thailand to ensure that future finance investments and partnerships unlock opportunities to accelerate Japan and ASEAN's transition towards a sustainable future.

Forsythia Foundation

A research grant to develop an understanding beyond climate change in the Green Chemicals space to uncover the scientific evidence base knowledge that links green chemistry to climate mitigation and resilience goals.

Scaling Up Finance for India's Green Transition

Sequoia Climate Fund granted Climate Bonds a two-year grant to mobilize public and private capital with speed and scale to finance India's 2030 climate targets.

Transition Climate Arc 2023

The goal of this project funded by Climate Arc is to build consensus around commonalities across existing frameworks and to develop a practical methodology or tool for allocating investment portfolios to different categories of transition finance

LSE Just Transition

The London School of Economics and Climate Bonds collaborated on this project with the aim to increase knowledge and confidence by key stakeholders (issuers, investors) on how just transition outcomes can be built into thematic bond issuances

UK PACT Colombia

UK Pact granted Climate Bonds a fourth and final extension to the project Greening the Colombian Financial System: Implementing local green definitions to enable long- term investment into priority sectors. The extension targets financial institutions and non-financial corporates utilizing the Colombian taxonomy, fostering taxonomy-aligned green credit lines and financial and, in particular, the use of proxies for the water, AFOLU and transport sectors, including the development of new AFOLU proxy

Taxonomy Brazil UNEP 2024

UNEP has granted Climate Bonds funds to develop the technical annexes for six sectors of the Brazilian Sustainable Taxonomy.

Herlin China

Herlin Foundation is supporting Climate Bonds' work to accelerate the decarbonisation of the steel industry in China.

LAC UNEP Biodiversity Framework 2023

An additional contract to deliver a tailored-made hybrid workshop program on sustainable finance taxonomies and a Common Framework on Sustainable Finance Taxonomies for LAC with a focus on the conservation, restoration, and sustainable use of biodiversity and its ecosystems

ECF DFI 2023

European Climate Foundation is providing support to Climate Bonds' work to ensure that European DFIs take interventions that increase the amount of private sector capital mobilised for 1.5°C and resilient investments.

Abatement of methane emissions in agriculture and energy sectors

Climate Bonds is in receipt of a grant from a donor who wishes to remain anonymous to develop tools and frameworks for stakeholders to design and execute their 1.5°C transition plans that frontload methane abatement. These include transition plan guidance, investment criteria, and investment taxonomies.

18. Analysis of net assets between funds**Year ended 31 December 2024**

	Fixed Assets £	Current assets £	Creditors due within one year £	Total £
Restricted Funds	-	-	-	-
Unrestricted funds	260,845	5,519,766	(4,863,582)	917,029
Total funds	260,845	5,519,766	(4,863,582)	917,029

Year ended 31 December 2023

	Fixed Assets £	Current Assets £	Creditors due within one year £	Total £
Restricted Funds	-	120,652	-	120,652
Unrestricted funds	138,397	5,482,740	(4,094,221)	1,526,916
Total funds	138,397	5,603,392	(4,094,221)	1,647,568

19. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net movement in funds for the year	(730,539)	(574,967)
Bank interest	(5,412)	(4,827)
Depreciation and amortisation	39,335	27,319
(Increase)/Decrease in debtors	(912,186)	518,085
Increase/(Decrease) in creditors	769,361	(848,981)
	<hr/>	<hr/>
Net cash provided by operating activities	(839,441)	(883,371)
	<hr/>	<hr/>

20. Related Party Transactions

There have been no related party transactions during the year. In 2023, Climate Bonds Initiative was invoiced £211,494 for services provided by ODI, a company of which Dr Rathin Roy, a Trustee, is a Managing Director. No amount is outstanding as at 31 December 2023.

21. Prior year Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income from:				
Charitable activities	2	3,543,799	5,123,911	8,667,710
Bank interest	3	4,827	-	4,827
Other trading income	4	128,207	-	128,207
		<hr/>	<hr/>	<hr/>
Total Income		3,676,833	5,123,911	8,800,744
		<hr/>	<hr/>	<hr/>
Expenditure on:				
Charitable activities	5	3,844,238	5,078,891	8,923,129
Trading activities		452,582	-	452,582
		<hr/>	<hr/>	<hr/>
Total expenditure		4,296,820	5,078,891	9,375,711
		<hr/>	<hr/>	<hr/>
Net loss	9	(619,987)	45,020	(574,967)
Transfers between funds		-	-	-
		<hr/>	<hr/>	<hr/>
Net Movement in Funds		(619,987)	45,020	(574,967)
		<hr/>	<hr/>	<hr/>
Reconciliation of Funds:				
Total funds brought forward		2,146,903	75,632	2,222,535
		<hr/>	<hr/>	<hr/>
Total funds carried forward		1,526,916	120,652	1,647,568
		<hr/>	<hr/>	<hr/>

CLIMATE BONDS INITIATIVE

England & Wales - Charity number 1154413

Accounts

CLIMATE BONDS INITIATIVE

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023**

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CLIMATE BONDS INITIATIVE**CHARITY REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees	Ms Doris Honold (Chair) Mr Nicholas Silver (<i>resigned 1 January 2024</i>) Mr Simon Cooper (<i>resigned 23 May 2024</i>) Ms Karen Kearney Mr Jonathan Stone Mr Kevin Steele Dr Rathin Roy Ms Elizabeth Grayer Ms Yulanda Chung (<i>appointed 23 May 2024</i>)
CEO	Mr Sean Kidney
Company Number	07455730
Charity Number	1154413
Registered Office	First Floor Queen Street Place London EC4R 1BE
Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ
Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD

The Trustees confirm that the Annual Report and Financial Statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (applicable from 1 January 2019).

The company qualifies as Small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

About us

The Climate Bonds Initiative (Climate Bonds) is an international not-for-profit organisation working to mobilise global capital for climate action.

Climate Bonds was created with a vision to mobilise institutional investors to counter the short-termism and vested interests that infect politics and finance and undermine action on climate change.

Our charitable objective is to preserve and conserve the environment for the public benefit, in particular, but not exclusively by:

- serving as a catalyst to mobilise the global investment required in developing and developed countries to address the threat of catastrophic climate change;
- working to align government policy, industry development and institutional finance toward the timely and affordable deployment of a global low carbon economy; and
- ensuring the environmental credibility of debt issuance and investment.

Climate Bonds has played a central role in transforming the green bond market from a niche concept to a mainstream source of capital for sustainable development, driving quality of issuance through the development of science-based green definitions in line with the Paris Agreement. As financial market volatility increases and we grapple with multiple crises, the Climate Bonds mission is more important than ever. We must act urgently to address the climate crisis by cutting emissions to bring economies in line with 1.5-degree warming and build the resilience of communities to protect them against the worst climate impacts. As underscored by the Intergovernmental Panel on Climate Change (IPCC), this decade is critical to the future of our planet. To avoid runaway and catastrophic climate change, we must halve emissions by 2030.

How we do it

Climate Bonds has a multi-faceted approach that is divided into several key areas of focus:

Policy Analysis and Advocacy: Conducting global and country-level policy research and analysis, providing policy advisory services to governments, regulators, central banks, and cities, engaging with governments, and publishing and disseminating reports, policy briefs, blogs, and webinars.

Standards and Taxonomies: Developing green bond standards and definitions, creating a Climate Bonds Taxonomy, providing advisory services on national and regional standards and taxonomies, and promoting thought leadership on green definitional frameworks.

Certification: Includes certifying green bonds, loans, and other debt instruments, certifying entities, vetting and approving third-party verifiers, and providing a Climate Bonds Standard V4.0.

Capacity Building: Providing technical assistance to issuers, governments, development banks, financial institutions, and investors, offering training workshops and programmes, reviewing portfolios, assets, and pipelines for alignment with taxonomy and standards, and providing advisory services on the GSS+ Bonds Framework.

Market Development: Catalysing green finance markets in Asia Pacific, Africa, Latin America, North America, and the EU, engaging with stakeholders and convening events, conferences, and meetings, developing partnerships to foster local green finance initiatives, and providing advisory services on localised green finance strategies through stakeholder engagement.

Market Intelligence and Research: Maintaining several green bond and related instrument databases, conducting research, analysis, and reporting on the sustainable finance market evolution, providing data to major green bond indices providers, financial data providers, and investors, and demonstrating investment pipelines through Investment Opportunity Reports.

Investor Engagement: Providing data services, analysis, and advisory services, promoting thought leadership and providing tools and knowledge to empower investors to navigate, instigate, and influence change, providing assurance on the environmental integrity and credibility of green financial products, and convening a global network of sustainable finance leaders, issuers, intermediaries, and policymakers.

Achievements and Performance

Review of activities in the year 2023

With a mission to mobilise global capital for climate action, Climate Bonds aims to **educate, inspire, convene,** and **steer** a global collaboration of institutional investors, governments, development banks and industry to shift capital toward low-carbon and resilient investments. Under these four banners, the following serve as highlights from 2023:

Educate

During 2023 we expanded and improved our Market Intelligence data offerings. Climate Bonds datasets now include more than 26,000 green-labelled, aligned debt securities and inform multiple green bond indices from S&P Global, MSCI, JP Morgan, Citi, and Solactive. Our Social and Sustainability bond dataset now contains over 16,000 issues (with 94% meeting our methodology criteria - a considerable achievement for a product launched in late 2022). In 2023 we added the Sustainability-linked Bond dataset and its associated methodology to our Market Intelligence data product suite. The methodology is innovative and has therefore attracted client interest. By the end of 2023, there were 773 issuances across the various SLB alignment categories.

Technology is key to how we conduct business and in late 2023 we commenced a project to update the platform that builds and manages our various data products. This will give us more accuracy, timeliness and efficiency in our product management and will position us for growth into new product areas as the market evolves.

In 2023, our promotion of sustainable finance and climate action continued apace across multiple channels. Our website was viewed over 1.3 million times by 312,000 visitors (of which 64% were first-time visitors). We saw 164,000 downloads of reports and other educational content and received over 4,000 mentions in articles and interviews in leading publications such as: Bloomberg, The Financial Times, and Reuters.

This year we conducted 44 training activities across a diverse array of formats and engagements, conducted across online, in-person, and hybrid platforms, notably the four offered as public training sessions, reflecting our commitment to knowledge dissemination beyond organisational boundaries. Our training work in 2023 reached more than 1,600 participants in six continents, predominantly in Asia, Africa, Europe and Latin America. We have reached over 5,500 individuals since 2019, transcending geographical borders with participants from 125 countries.

Inspire

Climate Bonds was chosen out of over 200 organizations to be a member of the EU High-level Expert Group on scaling up sustainable finance in low- and middle-income countries. The group is mandated by the European Commission to provide guidance regarding the expansion of sustainable finance in low- and middle-income countries.

Climate Bonds is also a member of the Platform on Sustainable Finance and a number of sub-working groups. Being a part of these groups is crucial for our capacity to drive change in the EU and beyond. We exerted influence on four EU legislations, notably by effectively advocating for stringent criteria for gas usage in the Delegated Act of the EU Taxonomy Regulation. Additionally, the member of the European Parliament responsible for leading on this matter adopted our recommendations on transition plans. Moreover, our suggestions pertaining to energy efficiency were incorporated into the Energy Efficiency Directive.

We worked on projects with more than 50 funders, including receiving charitable grants from philanthropic partners and championing collaborative working to achieve our mission and goals. Amongst others, the Charity

carried out high level collaborations with:

- Directorate General FISMA, the EU Commission department responsible for EU policy on banking and finance.
- Financial sector regulators and initiatives, for example the Central America Stock Exchange and the Latin American Green Bond Fund.
- NGOs such as FSD Africa, International Finance Corporation, Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the United Nations Office for Disaster Risk Reduction, and the World Resources Institute (WRI).
- Government ministries and regulators, such as the Ministry of Agriculture and Ministry of Economy in Brazil and the Monetary Authority of Singapore.
- Foundations working towards climate solutions such as the Childrens Investment Fund Foundation, Gordon & Betty Moore, New Venture Fund, Laudes Foundation and Growald Climate Fund.

Throughout 2023, Climate Bonds Initiative expanded its influence in the Latin America region. Our stand-out market intelligence reports for the region included *The Latin America State of the Market*, *Colombia Sustainable Finance State of the Market*, *Investment Opportunities in the Agri-food Sector in Brazil*, *Guidance Report for Implementing the Colombian Taxonomy*, *EU-Colombian Taxonomy Comparison Report*, *Resilience Report* in collaboration with IDB, and through the reports we expanded our influence. We also developed proxies for the Colombian national taxonomy.

We strengthened alliances with the Stock Exchanges of LAC, signing seven new MOUs for collaboration with the Dominican Republic, Colombia, Ecuador (Quito and Guayaquil), México, Chile, and Honduras, and we continued to play a pivotal role in the development of Taxonomies in the region, providing support to the Governments of Brazil, Panama, and Costa Rica.

We were proud to be invited to address the Nassau Declaration meeting in the Bahamas, the sole non-governmental entity to do so. We contributed to the Inter-American Climate Change Action Plan organized by the OAS, actively participated in initiatives such as the Brazilian Green Finance Initiative, engaged in public hearings for the Brazilian Taxonomy, and continued to develop Technical Assistance projects with financial and corporate institutions.

Convene

The Climate Bonds CONNECT 2023 event series is an important opportunity to bring regional communities together, sharing the latest information and creating a space to connect key stakeholders in the sustainable debt arena. The events were held in key financial capitals worldwide, including Hong Kong, London, Bogotá and New York. Titled *Ready, Set, Transition*, the 2023 Climate Bonds Connect series engaged participants in discussions to foster a credible global transition from brown to green, and facilitated debate on transition across markets, sustainable debt products, and the economy, tackling the most difficult sectors, and creating opportunities for investments to flow towards the development of sustainable infra-structure, energy and more. The discourse was focused on achieving an ambitious, inclusive transformation aligned with the goals of the Paris Agreement. Through a combination of in-person and online events, over 3,600 participants from 1872 organisations and 155 countries were connected. We had 96 speakers, market leaders and opinion-makers sharing insights on how the private sector and government can work together to drive the sustainable finance agenda forward.

Since 2016, Climate Bonds Initiative has celebrated organisations, financial institutions and governments who have demonstrated leadership through financing climate-resilient and low-carbon projects across various industries and economic sectors. The 8th Climate Bonds Awards recognised 34 organisations from emerging markets, financial institutions, and governments worldwide who have led the development of the market over 2022 with the key sustainable debt labelled bonds issuances.

Steer

The Climate Bonds Standard v4.0 launched in April 2023 after an extensive period of public consultation and is the most important milestone in the history of the Climate Bonds Certification Scheme since its inception in 2012. The scheme has been expanded to include the certification of non-financial corporations, and issuers of sustainability-linked debt instruments, whose transition plans are aligned with 1.5-degree pathways. It now offers two alignment levels to best-in-class corporates who are already compliant with the Climate Bonds sectoral trajectories, as well as to those on rapid decarbonisation journeys, that will get them on track by 2030. CBS v4.0 defines the framework for assessing the credibility of transition plans based on the clear articulation and ambition of performance targets, internal policy alignment and a robust governance framework. CBS v4.0

also offers the certification of projects and assets which satisfy the requirements of the Climate Bonds Sector Criteria.

Improvements to the Climate Bonds Sector criteria continued into 2023, both in the hard-to-abate sectors, such as Hydrogen Production and Electrical Utility Companies, and the upgrade of existing criteria to accommodate the certification of companies and general-purpose instruments (such as Sustainability-Linked instruments).

Additionally, in 2023, our Verifier network expanded to include five new firms based in Australia, China, UK, Austria and Brazil. Three of our global and most active Approved Verifiers have already been approved and trained to conduct Entity-level verifications and transition plan assessments. During the year we completed our first certification in the steel sector and our first sukuk certification. Cumulative certified green insurance has exceeded the \$300bn mark.

Key Performance Indicators (KPIs)

- The Charity is on course to deliver criteria for the Climate Bonds Standard across key sectors identified as critical to achieving the targets set by the Paris Agreement.
- During 2023, 93 green debt instruments with a value of £23bn were certified under Climate Bonds Standards. Although a reduction of 14% on 2022, many European instruments were aligned to the new EU taxonomy, and overall green bond certification continues to grow.
- Our Market Intelligence team maintains professional monitoring of and provides relevant, timely reports on the international bond markets to quantify the development and issuance of green bonds and other labelled debt instruments.
- Climate Bonds Initiative maintains its high standards of preparation, publication and presentation of policy and technical analyses.
- Climate Bonds Initiative continues to expand the breadth and depth of its partnerships with investors, banks, data service providers and other key beneficiaries. Partnership income grew 2.2% in 2023.
- Climate Bonds Initiative continues to increase its geographical reach. At the end of the year we had staff based in 26 countries and were actively managing projects across all 5 continents. The Charity continues to lift Climate Bonds Initiative's global brand recognition, profile and share of voice on key issues. All our commercial activities are mission aligned and our total income is a measure of our output. Income increased year on year by 29%.

Financial review

The Balance Sheet is shown on page 15 of this document, with further analysis shown in notes 12-21 on pages 17-32.

For the year ended 31 December 2023, the Charity had income of £8.8m (2022: £6.8m) and incurred expenditure of £9.4m (2022: £6.3m).

Climate Bonds Initiative's success continues to be built upon the breadth and depth of relationships developed over time with investors, banks and others, as well as an increase in the geographical reach of the organisation's work.

Climate Bonds Initiative's unrestricted deficit for the year 2023 was £620k (2022: surplus £517k). Restricted income recognised in the year has been mostly spent with a £121k (2022: £76k) carry forward balance. Net assets of the Charity at the year-end amounted to £1.6m (2022: £2.2m).

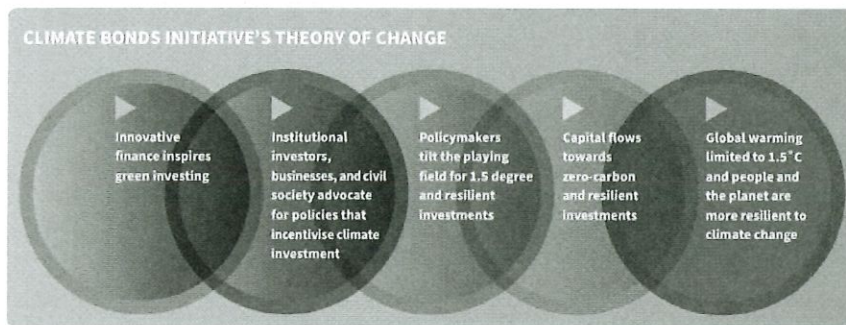
Future plans

In 2023, we continued to work on our strategy for the next three years of our mission. Our strategy focuses on mobilising global capital for climate action through four strategic objectives:

- Strengthening internal strategies and processes to optimise impact;
- Demonstrating the investment opportunity in the transition to a sustainable and resilient future;
- Inspiring investors to champion climate action, and;

- Shaping climate policy to establish a favourable environment for green and resilient investments.

By pursuing these objectives, Climate Bonds Initiative aims to contribute to a rapid transition to a sustainable, green, and resilient future where societies and ecosystems thrive in the face of climate change. Our Theory of Change outlines how we intend to achieve the goal of limiting global warming to 1.5 degrees Celsius, with people and the planet being more resilient to climate change.



Our key areas of focus include policy analysis and advocacy, standards and taxonomies, certification, capacity building, market development, market research and investor engagement. Our global and regional priorities include achieving an ever-stronger presence in the European Union, Latin America and ASEAN. We will prioritise key countries such as Brazil, China, India, Japan and the United States, given their high emissions profiles and role in shaping the global climate agenda. We are committed to strengthening our leading role as the authority on taxonomies and providing market intelligence globally.

Public benefit statement

The Charity has regard to the guidance on public benefit published by the Charity Commission.

Climate change is an enormous worldwide challenge that will affect nations, communities and societies. Addressing that challenge requires huge levels of financing immediately, as well as in the near to medium future. Climate and green bonds have the potential to make a major contribution to that financing. For the climate bonds market to grow, investments need to be underpinned by confidence in the green credentials of bonds. The Charity manages the Climate Bonds Standards that play a vital role in ensuring that there is confidence and credibility in these investments.

Details of activities in furtherance of public benefit are set out in this report.

Principal risks and uncertainties

The Trustees have assessed the major risks that the Charity faces in relation to its operations and finances and are satisfied that the Charity is taking the action necessary to mitigate its exposure to these risks. A risk assessment register is being maintained and updated on a regular basis.

The main risks and uncertainties facing the Charity relate to:

- Financial stability: Ensuring that the Charity's sources of income continue in the future requires maintaining a range of income streams, maintaining and extending good relationships with financial supporters, sound financial governance, and continuing to provide guidance and encouragement that is respected and well-received by the international financial markets and governmental regulators.
- Lack of engagement from potential bond issuers: If bond issuers do not recognise the value of issuing green bonds the charity's overall objective to stimulate green growth is diminished.
- Lack of engagement from other financial market stakeholders such as investors, underwriting banks and domestic/international development banks.
- Lack of participation by policymakers and regulators as a result of disinterest in engaging with our outputs and advocacy. This could put the Climate Bonds Initiative's leading international standing at risk.

Reserves policy

The Board has agreed that the Charity, in addition to any restricted reserves and commitments to, and investment in, tangible fixed assets, should aim to have unrestricted free reserves of at least three months of unrestricted expenditure, so that the Charity's activities could continue in the event of any funding shortfalls.

Unrestricted reserves at the year-end showed a balance of £1.5m (2022: £2.1m). Unrestricted reserves exceeded the minimum free reserves at the end of 2023 by approximately £0.5m (2022: £1.4m).

Structure, governance and management

Climate Bonds Initiative is a company limited by guarantee and a registered charity. The Charity's memorandum and articles of association are its primary governing documents. The Trustees of Climate Bonds Initiative are also the directors of the charitable company for the purposes of company law. Climate Bonds Initiative has a wholly owned subsidiary, Climate Bonds Services Limited, which is included in the consolidated financial statements. We have also established two wholly owned overseas subsidiaries: CBI Europe ABSL and Low Carbon World (Shanghai) Business Consulting Corporation, Ltd, designed to accommodate our activities in those regions, achieving alignment with funding partners and to meet local compliance requirements.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 2.

Trustees

Trustees are elected by recommendation from existing charity trustees and by confirmation by the Chair of the Board. An appropriate vetting process is overseen by the Chair.

Climate Bonds Initiative appoints and recruits new trustees through its wide network of supporters, bearing in mind the skills required. The overall performance of the Charity is the responsibility of the Board, but day-to-day decision-making is delegated to the Chief Executive Officer and Chief Operations Officer (formerly Executive Director), supported by the Senior Leadership Team. Key strategic direction and major issues of policies and procedures are set by the Board for implementation by the Chief Executive Officer and Chief Operations Officer. The induction and training of trustees is handled through a series of individual meetings with key personnel.

The Board sets the pay of the CEO and provides guidance for setting pay and remuneration for other senior staff.

Key management personnel

The key management personnel of the group consist of the Trustees, the Chief Executive Officer and the Chief Operating Officer (formerly the Executive Director):

Chief Executive Officer: Sean Kidney

Executive Director: Claire Berson (until 31 December 2023)

Interim Chief Executive Officer: Nicola Adams-Hendry (from 29 September to 17 December 2023)

Chief Operating Officer: Nicola Adams-Hendry (from 18 December 2023)

In addition, the following individuals served on the Senior Leadership Team during the year:

Director of Climate Services: Ian Howard (from 11 December 2023)

Director of Country Programmes: Ben Allen (from 17 July to 8 August 2023)

Director of Environmental Impact & Thought Leadership: Anna Creed

Director of Finance: Duncan Perritt

Director of Operations: Nicola Adams-Hendry (until 28 September 2023)

Director of People & Culture: Helen Ferguson

Director of Strategic Communications & Marketing: Selena Chapman and Penny Cross (from 4 December 2023)

Director of Strategy & Programmes: Ujala Qadir (until 30 November 2023)

Director of Strategic Programmes: Ujala Qadir (from 1 December 2023)

Director of Technical Development: Bridget Boule

Trustees' responsibilities in relation to the financial statements

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

Company law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS102);
- 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;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to the Auditors:

We, the Directors of the charitable company who held office at the date of approval of these Financial Statements as set out above, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditor

PKF Littlejohn LLP was appointed as auditor during 2020 and have indicated their willingness to continue in office.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

Approval

This report was approved by the Board on 25th September 2024 and signed on its behalf.

Doris Honold

Doris Honold, Trustee
13:35:58 BST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CLIMATE BONDS INITIATIVE**Opinion**

We have audited the financial statements of Climate Bonds Initiative (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2023, and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 the light of the knowledge and understanding of the group and parent 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' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company 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 group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sectors in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, employee and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to:
 - enquiries of management; and
 - review of minutes
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that provisions for doubtful debts and other liabilities as well as accruals and deferrals could be subject to management bias. We have reviewed the calculations for provisions and the assumptions involved. We also reviewed the application of cut-off through accrued and deferred income. No issues were identified.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. No issues were identified in our review.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

Date *27 September 2024*

CLIMATE BONDS INITIATIVE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
 (incorporating an income and expenditure account)
 YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Charitable activities	2	3,543,799	5,123,911	8,667,710	6,580,286
Bank interest	3	4,827	-	4,827	-
Other trading income	4	128,207	-	128,207	245,543
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		3,676,833	5,123,911	8,800,744	6,825,829
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Charitable activities	5	3,844,238	5,078,891	8,923,129	6,028,369
Trading activities		452,582	-	452,582	312,336
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		4,296,820	5,078,891	9,375,711	6,340,705
		<hr/>	<hr/>	<hr/>	<hr/>
Net income	9	(619,987)	45,020	(574,967)	485,124
Transfers between funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		(619,987)	45,020	(574,967)	485,124
Reconciliation of Funds:					
Total funds brought forward		2,146,903	75,632	2,222,535	1,737,411
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		1,526,916	120,652	1,647,568	2,222,535
		<hr/>	<hr/>	<hr/>	<hr/>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on page 17 to 32 form part of these Financial Statements.

	Notes	Consolidated		Charity	
		2023 £	2022 £	2023 £	2022 £
Fixed Assets					
Investments	12	-	-	100,112	50,100
Intangible fixed assets	13	77,101	44,376	77,101	44,376
Tangible fixed assets	14	61,296	43,481	59,603	41,765
		<u>138,397</u>	<u>87,857</u>	<u>236,816</u>	<u>136,241</u>
Current Assets					
Debtors	15	798,483	1,316,568	1,367,034	1,508,808
Cash		4,804,909	5,761,312	4,520,965	5,574,062
		<u>5,603,392</u>	<u>7,077,880</u>	<u>5,887,999</u>	<u>7,082,870</u>
Creditors: amounts falling due within one year	16	(4,094,221)	(4,943,202)	(4,075,367)	(4,920,488)
Net Current Assets		<u>1,509,171</u>	<u>2,134,678</u>	<u>1,812,633</u>	<u>2,162,382</u>
Net Assets		<u>1,647,568</u>	<u>2,222,535</u>	<u>2,049,449</u>	<u>2,298,623</u>
Charity Funds	17				
Unrestricted funds		1,526,916	2,146,903	1,928,797	2,222,991
Restricted funds		120,652	75,632	120,652	75,632
		<u>1,647,568</u>	<u>2,222,535</u>	<u>2,049,449</u>	<u>2,298,623</u>
Total Funds		<u>1,647,568</u>	<u>2,222,535</u>	<u>2,049,449</u>	<u>2,298,623</u>

The Charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006. The unconsolidated deficit for the year ended 31 December 2023 is £249,174 (2022: surplus of £548,733).

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved and authorised for issue by the Board of Trustees on 25th September 2024 and were signed on its behalf by:

Doris Harold

Doris Harold / Thu, 26th Sep 2024
13:33:38 BST

Trustee

The notes on pages 17 to 32 form part of these Financial Statements.

CLIMATE BONDS INITIATIVE

CONSOLIDATED STATEMENT OF CASH FLOWS
AT 31 DECEMBER 2022

	Notes	2023 £	2022 £
Net cash flow provided by operating activities	20	(883,371)	2,545,238
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(34,410)	(29,518)
Payments to acquire intangible fixed assets		(43,449)	-
Bank interest		4,827	-
Net cash flow used in investing activities		(73,032)	(29,518)
Change in cash and cash equivalents in the year		(956,403)	2,515,720
Cash and cash equivalents at 1 January		5,761,312	3,245,592
Cash and cash equivalents at 31 December		4,804,909	5,761,312

The notes on pages 17 to 32 form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

General Information

Climate Bonds Initiative is a company limited by guarantee and is registered with the Charity Commission (charity number 1154413) and the Registrar of Companies (company number 07455730) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited £1 per member of the Charity. The address of the registered office is shown under Charity Reference and Administrative Details.

Basis of Preparation of Accounts

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements consolidate Climate Bonds Initiative and its wholly owned subsidiaries, Climate Bonds Services Limited and Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd. A further subsidiary company, Climate Bonds Initiative (Europe) ASBL, registered in Belgium is also consolidated, though immaterial this year.

The financial statements are prepared in sterling which is the functional currency of the charity.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees consider that no material uncertainties exist concerning the charity's ability to operate for the foreseeable future.

The trustees have considered the charity's ability to meet its liabilities as they arise over the foreseeable future to September 2025, being 12 months from the date of approval of these financial statements. Accordingly, financial forecasts and cash flow projections have been prepared for this period.

The trustees recognise that in a period of growth there are some uncertainties that exist in the assumptions underlying these forecasts, principally concerning income generation and have identified actions to be taken as appropriate risk mitigation should these assumptions and forecasts not be adequately achieved.

Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

The Charity received government and other grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Verification fees, certification fees, reports income and events income are recognised in full when the charity is entitled to the income.

1. Accounting Policies (continued)

Annual partner subscriptions are recognised 50% immediately and the balance over a 12-month period to which they relate from the month of receipt, with the balance at the year-end included as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

On receipt, donated professional services and donated facilities are recognised as gifts in kind on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services of facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Redundancy and termination payments are recognised immediately upon becoming a constructive obligation. Expenditure is categorised under the following headings:

- Costs of raising funds includes are those costs incurred in attracting donations, and those incurred in trading activities that raise funds; and
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office premises costs, finance, HR, IS/IT, legal and governance costs and management and administration costs. They are incurred directly and necessarily in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in note 8.

Intangible fixed assets

Intangible fixed assets are assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible fixed assets are recorded at historical cost and amortised on a straight-line basis over 4 years.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or net realisable value after depreciation. The cost of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight-line basis:

Plant and machinery	20%
Office equipment	20%

1. Accounting Policies (continued)

Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Creditors are recognised when the Charity has a present or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Foreign Currency

The consolidated financial statements are presented in UK pounds sterling (£'s), the functional currency of the charity. For project planning purposes, the charity uses a standard exchange rate for the year. All transactions denominated in foreign currencies are translated at the spot rate, the actual rate achieved at the time of the transaction.

All balance sheet balances are translated at the prevailing year-end rate. Any gains or losses resulting from exchange rates are recognised through the SoFA.

Funds and Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objective of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

- Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at transaction cost. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at transaction cost. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- 75% capitalisation of graphic design (or front-end development) of website, and subsequent amortisation.
- Intercompany recharge

2. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Projects, advocacy and guidance	3,543,799	5,123,911	8,667,710	6,580,286

3. Bank interest

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Bank interest	4,827	-	4,827	-

4. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Trading	128,207	-	128,207	245,543

5. Expenditure on Charitable Activities

	Direct Costs £	Support Costs £	Total 2023 £	Total 2022 £
Projects, advocacy and guidance	8,048,005	874,440	8,922,445	6,028,369
Totals 2022	5,751,757	276,612	6,028,369	

6. Direct costs

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Consultancy costs	3,203,989	344,573	3,548,562	3,205,818
Other direct costs	33,837	739,526	773,363	43,324
Travel and subsistence	175,446	93,268	268,714	197,586
Staff costs	537,066	2,920,300	3,457,366	2,305,029
Reallocated costs	(505,214)	505,214	-	-
Total	3,445,124	4,602,881	8,048,005	5,751,757

7. Support costs

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Conference event costs	17,318	19,569	36,887	42,395
Establishment and general administration	131,144	418,891	550,035	589,596
Support staff costs	7,644	-	7,644	-
Governance costs	18,366	6,000	24,366	11,011
Depreciation	16,595	-	16,595	11,182
Amortisation	10,724	-	10,724	5,624
Foreign exchange loss/(gain)	197,323	31,550	228,873	(383,196)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	399,114	476,010	875,124	276,612

8. Governance costs

	Total 2023 £	Total 2022 £
Legal and professional Auditor's remuneration	4,771	11,840
- audit	14,500	18,000
- other services	5,095	7,680
- Overaccrual in prior years	-	(26,509)
	<hr/>	<hr/>
	24,366	11,011

9. Net income for the year

The net income is stated after (crediting)/charging:

	Total 2023 £	Total 2022 £
Depreciation of tangible fixed assets	16,595	11,182
Amortisation of intangible fixed assets	10,724	5,624
Net losses/(gains) on foreign exchange	228,873	(383,196)
	<hr/>	<hr/>

10. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	Total 2023 £	Total 2022 £
Wages and salaries	3,076,689	2,013,730
Social security	320,384	241,865
Defined contribution pension costs	69,092	44,459
	<hr/>	<hr/>
	3,466,165	2,300,054

10. Staff costs and employee benefits (continued)

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Number of employees	
	2023	2022
£60,001 to £70,000	6	1
£70,001 to £80,000	6	2
£80,001 to £90,000	1	-
£90,001 to £100,000	3	2

During the year, the charity paid £25,975 (2022: £8,740) under a defined contribution pension scheme on behalf of staff.

The average monthly number of employees during the year was as follows:

	Number of employees	
	2023	2022
Staff	56	47

11. Trustees' and key management personnel remuneration and expenses

No trustees received any remuneration or reimbursement of travel expenses from the charity during the year (2022 – none).

The trustees consider the board of trustees, the Chief Executive Officer and the Deputy Chief Executive Officer as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. The total amount of employee benefits received by key management personnel during the year was £254,829 (2022: £218,564).

12. Investments (Charity)

Cost	2023 £	2022 £
Investment in Climate Bond Services Limited	100	100
Investment in Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd	100,012	50,000
	<u>100,112</u>	<u>50,100</u>

Climate Bonds Initiative has 100% control of Climate Bond Services Limited (Company registration number 11715956), a company registered by share capital and whose registered office is First Floor, Queen Street Place, London, EC4R 1BE. The subsidiary year-end is also 31 December 2023. The company was incorporated on 6 December 2018. The major activities of the company comprised the hosting of the Climate Bonds Initiative annual conference, for which commercial sponsorship was obtained. The income for Climate Bonds Services does not include individual attendee ticketed income, which is included in Climate Bonds Initiative. The summary financial performance of the subsidiary for the year ended 31 December 2023 is as follows.

	2023 £	2022 £
Turnover	128,194	245,489
Cost of sales	(116,065)	(102,214)
Administrative expenses	(73,324)	(147,549)
	<u>(61,195)</u>	<u>(4,274)</u>
Operating loss	(61,195)	(4,274)
Gift aid to parent	-	-
	<u>(61,195)</u>	<u>(4,274)</u>
Result for the period	(61,195)	(4,274)

12. Investments (Charity) (continued)

Current assets	294,577	288,677
Current liabilities	(359,947)	(292,851)
	<u> </u>	<u> </u>
Net (liabilities)/assets	(65,370)	(4,174)
	<u> </u>	<u> </u>

Climate Bonds Initiative has 100% control of Climate Bonds Initiative (Europe) ASBL (Company registration number 0730.588.756), a company registered by share capital and whose registered office is Avenue Léon Jourez 34, 420 Braine l'Alleud, Belgium. The subsidiary year-end is also 31 December 2023. The company was incorporated on 6 December 2018. The company had no material activity in either year but is intended to become a hub for Climate Bonds Initiative's activities in mainland Europe, especially in a post-Brexit era. The summary financial performance of the subsidiary for the period ended 31 December 2023 is as follows.

	2023 £	2022 £
Turnover	-	-
Administrative expenses	(232,686)	(25,895)
	<u> </u>	<u> </u>
Result for the year	(232,686)	(25,895)
	<u> </u>	<u> </u>
	2023 £	2022 £
Fixed assets	1,693	1,716
Current assets	1,809	186
Current liabilities	(262,082)	(27,797)
	<u> </u>	<u> </u>
Net liabilities	(258,580)	(25,895)
	<u> </u>	<u> </u>

Climate Bonds Initiative established a subsidiary in China, Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd [Unified Social Credit Code: 91310115MA1K4MYU00]. Climate Bonds Initiative retains 100% control of the company, whose registered address is: No. 14, Lane 1502 Luoshan Road China (Shanghai) Free Trade Pilot Zone. The results for the year to 31 December 2023 were:

	2023 £	2022 £
Turnover	50	54
Administrative expenses	(31,191)	(36,900)
	<u> </u>	<u> </u>
Result for the year	(31,141)	(36,846)
	<u> </u>	<u> </u>
Current assets	24,364	12,577
Current liabilities	(5,078)	(11,871)
	<u> </u>	<u> </u>
Net assets	19,286	706
	<u> </u>	<u> </u>
Share capital	100,012	50,000
Retained earnings	(80,276)	(49,294)
	<u> </u>	<u> </u>
Reserves	19,286	706
	<u> </u>	<u> </u>

13. Intangible Fixed Assets (Group and Charity)

Cost	Website and database £	Total £
At beginning of year	202,717	202,717
Additions	43,449	43,449
	<hr/>	<hr/>
At end of year	246,166	246,166
	<hr/>	<hr/>
Amortisation		
At beginning of year	158,341	158,341
Charge for the year	10,724	10,724
	<hr/>	<hr/>
At end of year	169,065	169,065
	<hr/>	<hr/>
Net Book Value		
At 31 December 2023	77,101	77,101
	<hr/>	<hr/>
At 31 December 2022	44,376	44,376
	<hr/>	<hr/>

14. Tangible Fixed Assets (Group)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	103,253	103,677
Additions	-	34,410	34,410
	<hr/>	<hr/>	<hr/>
At end of year	424	137,663	138,087
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	424	59,772	60,196
Charge for the year	-	16,595	16,595
	<hr/>	<hr/>	<hr/>
At end of year	424	76,367	76,791
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2023	-	61,296	61,296
	<hr/>	<hr/>	<hr/>
At 31 December 2022	-	43,481	43,481
	<hr/>	<hr/>	<hr/>

14. Tangible Fixed Assets (Charity)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	101,309	101,733
Additions	-	33,750	33,750
	<hr/>	<hr/>	<hr/>
At end of year	424	135,059	135,483
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	424	59,544	59,968
Charge for the year	-	15,912	15,912
	<hr/>	<hr/>	<hr/>
At end of year	424	75,456	75,880
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2023	-	59,603	59,603
	<hr/>	<hr/>	<hr/>
At 31 December 2022	-	41,765	41,765
	<hr/>	<hr/>	<hr/>

15. Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	392,861	1,104,552	374,147	1,015,053
Other debtors	-	14,020	-	-
Prepayments and accrued income	405,622	197,996	404,540	197,996
Intercompany debtor	-	-	588,347	295,759
	<hr/>	<hr/>	<hr/>	<hr/>
	798,483	1,316,568	1,367,034	1,508,808
	<hr/>	<hr/>	<hr/>	<hr/>

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	159,834	203,817	137,279	192,428
Social security and other taxes	66,229	106,644	81,190	106,644
Other creditors	142,730	287,272	142,729	287,272
Accruals and deferred income*	3,725,428	4,345,469	3,714,169	4,334,044
Intercompany creditor	-	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
	4,094,221	4,943,202	4,075,367	4,920,488
	<hr/>	<hr/>	<hr/>	<hr/>

***Deferred income:**

	£
Brought forward at 1 January 2023	4,081,316
Incoming resources deferred during the year	3,392,268
Amounts released from previous years	(4,081,316)
	<hr/>

Carried forward at 31 December 2023

3,392,268

17. Fund reconciliation (consolidated)

Current Year	Balance as			Transfers	Balance as
	at 1.1.23	Income	Expenditure		at 31.12.23
	£	£	£	£	£
UNDP	-	-	438	-	438
G & B Moore Foundation	1,033	326,585	(327,619)	-	-
Oak Foundation	1,959	124,934	(126,893)	-	-
World Resources Institute (WRI)	2,724	-	-	-	2,724
BEIS	11,356	46,998	(45,437)	-	12,918
Agora Foundation	185	-	-	-	185
ECF EU Taxonomy 2020	1,597	-	-	-	1,597
ECF EU Taxonomy 2021	(1,856)	-	-	-	(1,856)
ECF EU Taxonomy 2022	(1)	-	-	-	(1)
FSD Africa	29,999	67,207	(25,237)	-	71,969
GIZ ASEAN	1,491	-	-	-	1,491
Growald Foundation	-	235,277	(230,038)	-	5,238
IPSF GIZ 2020	110,161	-	-	-	110,161
IPSF GIZ 2021-22	(111,655)	-	-	-	(111,655)
The Children's Investment Fund	-	2,164,483	(2,164,483)	-	-
The Foreign Commonwealth and Development Office – India 2021	1	-	-	-	-
The Foreign Commonwealth and Development Office	-	190,275	(191,044)	-	(769)
UK PACT China	8,056	181,174	(180,946)	-	8,286
UK PACT India	3	-	(3)	-	-
UNDRR	1,029	42,161	(42,692)	-	499
Laudes Foundation 2021-23	-	336,485	(331,781)	-	4,704
New Venture Fund	12,964	645,123	(647,462)	-	10,626
Tara Climate Limited	6,586	156,703	(163,289)	-	-
Forsythia Foundation	-	61,785	(60,353)	-	1,432
European Climate Foundation	-	83,842	(83,842)	-	-
Scaling Up Finance for India's Green Transition	-	460,879	(458,214)	-	2,665
Total restricted funds	75,632	5,123,911	(5,078,891)	-	120,652
General Funds	2,146,903	3,676,833	(4,296,820)	-	1,526,916
Total unrestricted funds	2,146,903	3,676,833	(4,296,820)	-	1,526,916
Total funds	2,222,535	8,800,744	(9,375,710)	-	1,647,568

17. Fund reconciliation (consolidated) (continued)

Prior Year	Balance as		Expenditure	Transfers	Balance as	
	at 1.1.22	Income			at 31.12.22	
	£	£	£	£	£	
European Commission (EuroPace)	(1)	(1,846)	1,847	-	-	
UNDP	15,988	13,132	(29,120)	-	-	
G & B Moore Foundation	1,033	352,873	(352,873)	-	1,033	
Oak Foundation	3,473	140,394	(141,908)	-	1,959	
World Resources Institute (WRI)	17,380	9,981	(24,637)	-	2,724	
BEIS China	3,905	-	-	-	3,905	
BEIS Columbia	9,460	-	(2,009)	-	7,451	
Agora Foundation	185	-	-	-	185	
ECF EU Taxonomy 2020	1,597	-	-	-	1,597	
ECF EU Taxonomy 2021	24,130	12,795	(38,781)	-	(1,856)	
ECF EU Taxonomy 2022	-	109,311	(109,312)	-	(1)	
ECF Tara	(9,126)	24,015	(14,889)	-	-	
FSD Africa	2,490	30,359	(2,850)	-	29,999	
GCA Standards	(144)	-	144	-	-	
GIZ ASEAN	6,349	(4,858)	-	-	1,491	
Growald Foundation	(7,935)	111,630	(103,695)	-	-	
IPSF GIZ 2020	26,035	-	84,126	-	110,161	
IPSF GIZ 2021-22	-	(111,655)	-	-	(111,655)	
The Children's Investment Fund	-	1,042,204	(1,042,204)	-	-	
The Foreign Commonwealth and Development Office – India 2021	1	121,426	(121,426)	-	1	
The Foreign Commonwealth and Development Office – India 2022	-	36,204	(36,204)	-	-	
UK PACT China	(20)	143,343	(135,267)	-	8,056	
UK PACT Columbia	-	417,228	(417,228)	-	-	
UK PACT India	-	24,109	(24,106)	-	3	
UNDRR	-	102,331	(101,302)	-	1,029	
Laudes Foundation 2021-23	(170)	370,436	(370,266)	-	-	
New Venture Fund	12,964	531,703	(531,703)	-	12,964	
Tara Climate Limited	-	29,474	(22,888)	-	6,586	
Total restricted funds	107,594	3,504,589	(3,536,551)	-	75,632	
General Funds	1,629,817	3,321,240	(2,804,154)	-	2,146,903	
Total unrestricted funds	1,629,817	3,321,240	(2,804,154)	-	2,246,903	
Total funds	1,737,411	6,825,829	(6,340,705)	-	2,222,535	

Purposes of Restricted Funds:**European Commission (EuroPace)**

European Commission under its Horizon 2020 Programme funded the project "EuroPace – Developing, piloting and standardising on-tax financing for residential energy efficiency retrofits in European cities and regions" from March 2018 to February 2021 in a total amount up to €175,775.

UNDP

Support for Climate Bonds Initiative to participate in Working Group "Developing Taxonomy for Indian Government.

G & B Moore Foundation

Driving the Development of Green Agri Bonds in Brazil and China.

Oak Foundation

Oak Foundation funded the project "Growing the Global Green Bonds Market" from September 2016 to December 2021.

World Resources Institute (WRI)

Support to WRI project entitled "Transformational Project Pipelines for NDC Implementation" Signed in 2019 and extended to Sept 2022.

BEIS:**China**

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Sustaining the Growth of China's Green Bond Market and Facilitating Inter-Country Green Capital Flows" (February 2019 – November 2020) with £300,000.

Colombia

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Scaling up Green Finance and establishing building blocks for scalable and low carbon investment in Colombia" (July 2019 – October 2020) with £485,699.54.

Mexico

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Building a foundation for a sustainable and scalable low carbon future in Mexico - from Green Bonds to a Greener Ecosystem" (July 2019 – September 2020) with £181,622.

Agora Foundation

SEFEP GmbH Agora Energiewende funded Climate Bonds Initiative with a grant for working in the context of "CRUX Policy Centre Power" with the objective of enabling the energy transition in South Africa by building capacity for green bonds (June 2020 - January 2021) with €70,000.. SEFEP (Smart Energy for Europe Platform) received the grant funding from the Aspen Global Change Institute (AGCI).

ECF EU Taxonomy 2020

The European Climate Foundation funded this project to step up engagement and capacity building activities with key stakeholders, such as Member States, around EU green taxonomy developments and future plans. Also, it continues Climate Bonds Initiative's technical engagement with EU on next iteration of taxonomy. (April 2020 - March 2021) with €155,619.

ECF EU Taxonomy 2021

EU Sustainable Finance Taxonomy - Ensuring alignment to 1.5 degree pathways and supporting the growth of a Taxonomy-aligned green bond markets in key Member States in Europe.

ECF Tara

EU Sustainable Finance Taxonomy - Ensuring alignment to 1.5 degree pathways and supporting the growth of a Taxonomy-aligned green bond markets in key Member States in Europe.

FSD Africa

The Financial Sector Deepening Africa (FSDA) has funded this project to Climate Bonds Initiative to act as the lead consultant in the Nigerian Green Bonds Programme. Climate Bonds Initiative has provided support for Green Bond Issuance, which involves issuance of guidelines and listing requirements for green bonds, developing a pool of Nigeria-based Licenced verifiers, developing a pipeline of green investments, developing an international collaboration, and developing a debt capital market reform agenda to support green bonds under the Debt Capital Markets Development. (April 2018 - June 2021) with £110,320.

GCA Standards

The Global Centre on Adaptation funded this project with an overall goal to help advance common understanding of resilience investments and opportunities in the bond market, through bespoke research, guidance preparation, and stakeholder engagement (Sep. 2020 - March 2021) with €64,763.

GIZ ASEAN

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) funded this project to assess the "EU Sustainable Finance Action Plan to Finance a Green Corona Recovery" in the ASEAN Region (Dec 2020 - Aug 2021) with €447,147.

Growald Foundation

The Growald Foundation has funded this project to deliver: (i) Green infrastructure investment opportunities report and investor forum for GBA, (ii) Market education and trainings to relevant stakeholders in GBA* on green bonds, (iii) Guidelines on green transition finance for China with a focus on Guangdong/GBA (July 2020 - October 2021) with \$100,000.

(* GBA is the Greater Bay Area of China comprising Hong Kong and neighbouring Chinese cities)

IPSF GIZ

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) has funded this project to support the International Platform on Sustainable Finance (IPSF), an initiative of the EU's DG FISMA (June 2020 - April 2021) with €175,716.

The Children's Investment Fund

Accelerated industrial decarbonisation in Europe through dedicated transition financing to industrial companies

The Foreign Commonwealth and Development Office**UK PACT – Columbia**

Greening the Colombian Financial System: Implementing local green definitions to enable long-term investment into priority sectors.

UK PACT – China

Accelerating high-quality growth in China's Green Bond market and supporting post-COVID Green Economic Recovery.

UK PACT – India

Strengthening climate risk assessment and enabling central bank supervision in the Indian financial sector: a partnership with frontrunning banks and DFIs.

IPSF GIZ 2021/22

IPSF Technical support Phase 2 (International Platform for Sustainable Finance).

Laudes Foundation 2021/23

EU Building Programme on Energy Efficiency

New Venture Fund

Preparation of Concept Note for Transition Proposal on Land use.

Rockefeller Foundation – Rev303

Rockefeller Foundation funded the standards project "Climate Bonds Standards and Definitions to Support Market Confidence" from August 2017 to May 2020 in a total amount up to \$400,000.

Rockefeller Foundation – INF311

Rockefeller Foundation funded the policy project "Green Aggregation and Securitization in Emerging Markets and Developing Countries" from November 2015 to June 2017 (extended to June 2019) in a total amount up to \$510,000.

FCO India

FCO (UK Foreign and Commonwealth Office) funded the project "Using Green Bonds to Raise International Capital for India's Transition to a Low-Carbon and Climate Resilient Economy Phase –(II)" from January 2018 to July 2018 in a total amount up to £57,717.

ECF ASEAN

The International Forum for Energy (IFE), an initiative of the European Climate Foundation (ECF), has funded this project to grow green infrastructure investment opportunities and the green bond market in ASEAN in order to facilitate capital flows into green infrastructure in ASEAN countries (April 2019 - April 2020) with \$150,000.00.

18. Analysis of net assets between funds

Current Year	Fixed Assets £	Current assets £	Creditors due within one year £	Total £
Restricted Funds	-	120,652	-	120,652
Unrestricted funds	138,397	5,482,740	(4,094,221)	1,526,916
Total funds	<u>138,397</u>	<u>5,603,392</u>	<u>(4,094,221)</u>	<u>1,647,568</u>
Prior Year	Fixed Assets £	Current Assets £	Creditors due within one year £	Total £
Restricted Funds	-	75,632	-	75,632
Unrestricted funds	87,857	7,022,248	(4,943,202)	2,146,903
Total funds	<u>87,857</u>	<u>7,077,880</u>	<u>(4,943,202)</u>	<u>2,222,535</u>

19. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds for the year	(574,967)	485,124
Bank interest	(4,827)	-
Depreciation and amortisation	27,319	16,806
Decrease/(Increase) in debtors	518,085	(48,837)
(Decrease)/Increase in creditors	(848,981)	2,142,145
Net cash provided by operating activities	<u>(883,371)</u>	<u>2,545,238</u>

20. Related Party Transactions

During the year, Climate Bonds Initiative was invoiced £211,494 for services provided by ODI, a company of which Rathi Roy is a Managing Director. No amount is outstanding as at 31 December 2023.

21. Prior year Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income from:				
Charitable activities	2	3,075,697	3,504,589	6,580,285
Bank interest	3	-	-	-
Other trading income	4	245,543	-	245,543
		<hr/>	<hr/>	<hr/>
Total Income		3,321,240	3,504,589	6,825,829
		<hr/>	<hr/>	<hr/>
Expenditure on:				
Charitable activities	5	2,491,818	3,536,551	6,028,369
Trading activities		312,336	-	312,336
		<hr/>	<hr/>	<hr/>
Total expenditure		2,804,154	3,536,551	6,340,705
		<hr/>	<hr/>	<hr/>
Net income	9	517,086	(31,962)	485,124
Transfers between funds		-	-	-
		<hr/>	<hr/>	<hr/>
Net Movement in Funds		517,086	(31,962)	485,124
Reconciliation of Funds:				
Total funds brought forward		1,629,817	107,594	1,737,411
		<hr/>	<hr/>	<hr/>
Total funds carried forward		2,146,903	75,632	2,222,535
		<hr/>	<hr/>	<hr/>

CLIMATE BONDS INITIATIVE

England & Wales - Charity number 1154413

Accounts

CLIMATE BONDS INITIATIVE

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

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Trustees	Mr Nicholas Silver Mr Simon Cooper Ms Doris Honold (Chair - appointed Chair 18 November 2022) Dr Karl Mallon (resigned 17 November 2022) Prof Cynthia Williams (resigned 17 November 2022) Ms Karen Kearney Mr Jonathan Stone Mr K Steele (appointed 18 August 2022) Dr R Roy (appointed 1 July 2022) Ms E Grayer (appointed 1 July 2022)
CEO	Mr Sean Kidney
Company Number	07455730
Charity Number	1154413
Registered Office	First Floor Queen Street Place London EC4R 1BE
Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ
Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD

The Trustees are pleased to present the audited consolidated Financial Statements of Climate Bonds Initiative ("the Charity") together with the Annual Report for the year ended 31 December 2022. The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (applicable from 1 January 2019).

The company qualifies as small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

About us

The Climate Bonds Initiative (Climate Bonds) is an international not-for-profit organisation working to mobilise global capital for climate action.

Climate Bonds was created with a vision to mobilise institutional investors to counter the short-termism and vested interests that infect politics and finance and undermine action on climate change.

Our charitable objective is to preserve and conserve the environment for the public benefit, in particular, but not exclusively by:

- serving as a catalyst to mobilise the global investment required in developing and developed countries to address the threat of catastrophic climate change;
- working to align government policy, industry development and institutional finance toward the timely and affordable deployment of a global low carbon economy; and
- ensuring the environmental credibility of debt issuance and investment.

Climate Bonds has played a central role in transforming the green bond market from a niche concept to a mainstream source of capital for sustainable development, driving quality of issuance through the development of science-based green definitions in line with the Paris Agreement. As financial market volatility increases and we grapple with multiple crises, the Climate Bonds mission is more important than ever. We must act urgently to address the climate crisis by cutting emissions to bring economies in line with 1.5-degree warming and build the resilience of communities to protect them against the worst climate impacts. As underscored by the Intergovernmental Panel on Climate Change (IPCC), this decade is critical to the future of our planet. To avoid runaway and catastrophic climate change, we must halve emissions by 2030.

How we do it

Climate Bonds has a multi-faceted approach that is divided into several key areas of focus:

Policy Analysis and Advocacy: Conducting global and country-level policy research and analysis, providing policy advisory services to governments, regulators, central banks, and cities, engaging with governments, and publishing and disseminating reports, policy briefs, blogs, and webinars.

Standards and Taxonomies: Developing green bond standards and definitions, creating a Climate Bonds Taxonomy, providing advisory services on national and regional standards and taxonomies, and promoting thought leadership on green definitional frameworks.

Certification: Includes certifying green bonds, loans, and other debt instruments, certifying entities, vetting and approving third-party verifiers, and providing a Climate Bonds Standard V4.0.

Capacity Building: Providing technical assistance to issuers, governments, development banks, financial institutions, and investors, offering training workshops and programmes, reviewing portfolios, assets, and pipelines for alignment with taxonomy and standards, and providing advisory services on the GSS+ Bonds Framework.

Market Development: Catalysing green finance markets in Asia Pacific, Africa, Latin America, North America, and the EU, engaging with stakeholders and convening events, conferences, and meetings, developing partnerships to foster local green finance initiatives, and providing advisory services on localised green finance strategies through stakeholder engagement.

Market Intelligence and Research: Maintaining a several green bond and related instrument database, conducting research, analysis, and reporting on the sustainable finance market evolution, providing data to major green bond indices providers, financial data providers, and investors, and demonstrating investment pipelines through Investment Opportunity Reports.

Investor Engagement: Providing data services, analysis, and advisory services, promoting thought leadership and providing tools and knowledge to empower investors to navigate, instigate, and influence change, providing assurance on the environmental integrity and credibility of green financial products, and convening a global network of sustainable finance leaders, issuers, intermediaries, and policymakers.

Achievements and Performance

Review of activities in the year 2022

With a mission to mobilise global capital for climate action, Climate Bonds aims to **educate, inspire, convene, and steer** a global collaboration of institutional investors, governments, development banks and industry to shift capital toward low-carbon and resilient investments. Under these four banners, the following serve as highlights from 2022:

Educate

We produced 42 in-depth reports in 2022, covering country specific state of the market reports, practical guides and studies for moving away from coal reliance, sustainable finance and green bond pricing and market share, among others. The most downloaded reports of 2022 were our annual flagship report *Sustainable Debt Global State of the Market 2021* (with almost 9,000 downloads), *Sustainable Debt Market Summary H1 2022* (with over 6,000 downloads) and *Green Bond Pricing in the Primary Market H1 2022* (with nearly 4,000 downloads). In total, our reports were downloaded over 57,000 times and received broad coverage in the financial press, increasing our reach and impact.

The Market Intelligence team continued to expand and improve the data offerings at Climate Bonds in 2022. This involved tracking and reporting on all global issuances. The Climate Bonds database now includes more than 10,000 green-labelled, Taxonomy-aligned debt securities and informs multiple green bond indices from S&P, MSCI, JP Morgan, Citi, IHS Markit and Solactive. 2022 saw the addition of two more methodologies and datasets on other thematic market segments including: the Climate Bonds Social & Sustainability Bond Database, and the Climate Bonds Sustainability-linked and Transition Bonds and Issuers Database.

In 2022, the Climate Bonds Initiative's communications efforts continued to promote sustainable finance and climate action through various channels, including the organization's website, with over 1.3 million page views, 334 000 visitors (of which 57% were first time visitors), and 452 000 downloads of reports and other educational content. The media coverage increased in 2022, with over 5 800 mentions in articles and interviews in leading publications such as: Bloomberg, The Financial Times, and Reuters.

Inspire

Out of over 200 organizations, Climate Bonds was chosen to provide guidance to the EU Commission regarding the expansion of sustainable finance in low- and middle-income countries, as well as to contribute to the dialogue with investors on energy. Being a part of these two groups is crucial for our capacity to drive change. We exerted influence on four EU legislations, notably by effectively advocating for stringent criteria for gas usage in the Delegated Act of the EU Taxonomy Regulation. Additionally, the member of the European Parliament responsible for leading on this matter adopted our recommendations on transition plans. Moreover, our suggestions pertaining to energy efficiency were incorporated into the Energy Efficiency Directive.

We worked on projects with more than 50 funders, including receiving charitable grants from philanthropic partners and championing collaborative working to achieve our mission and goals. Amongst others, the Charity carried out high level collaborations with:

- Directorate General FISMA, the EU Commission department responsible for EU policy on banking and finance.
- Financial sector regulators and initiatives, for example the Central America Stock Exchange and the Latin American Green Bond Fund

- NGOs such as FSD Africa, International Finance Corporation, Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the United Nations Office for Disaster Risk Reduction, and the World Resources Institute (WRI).
- Government ministries and regulators, such as the Ministry of Agriculture and Ministry of Economy in Brazil and the Monetary Authority of Singapore.
- Foundations working towards climate solutions such as the Childrens Investment Fund Foundation, Gordon & Betty Moore, New Venture Fund, Laudes Foundation and Growald Climate Fund.

In Latin America, we saw high engagement with regional stock exchanges (BIVA, BMV, B3, Bolsa de Santiago). We supported the Central America Stock Exchange in development of GSS bond guidelines, and achieved 49 certifications within the region. At country level, we produced our Peru State of the Market report, our first dedicated country report for the region, Brazil Agri-food programme. We developed taxonomies for Brazil, Chile, Mexico and Columbia. We engaged with Government in Columbia on the sovereign fund for the Amazon. We also engaged with the Brazil Ministry of Agriculture & Ministry of Economy.

Convene

The Climate Bonds CONNECT 2022 event (our annual conference) was convened in key financial capitals around the world, namely; Singapore, London, Mexico City and New York. It brought together influential leaders from the private sector, government, and financial industry to discuss the urgent need to address the climate crisis. Through a combination of in-person and online events, over 3,000 participants shared insights on how the private sector and government can work together to drive the sustainable finance agenda forward. The conversations centred around reaching the goal of issuing US\$ 5 trillion of climate bonds per year by 2025, demonstrating the commitment of the global community to mobilize capital towards a low-carbon and climate-resilient economy.

Steer

We continued to expand our Certification offerings, adding hard-to-abate sectors, namely; Cement Production, Steel Production, Basic Chemicals Production and Hydrogen Production. We also launched our Fast-Track Certification Scheme to increase accessibility to sustainable financing.

A huge development in 2022 was the work conducted on our Standard. Climate Bond V4.0 Standard v4.0 was released for public consultation in September. The new standard has expanded to include the certification of non-financial corporations and sustainability-linked debt instruments that are aligned with 1.5-degree pathways by 2050.

Our verification programme increased to include nine new approved verifiers in Kazakhstan, Hong Kong, Germany, Nigeria, Vietnam, and the United States, and we enrolled thirty new issuers covering \$15billion trade across many different sectors.

We participated in more than fifty high level engagements including bilateral meetings with members of the European Parliament, governments, central banks, industry, multilateral development banks, speaking engagements and roundtables

We increased our influence in the ASEAN region at regional level, producing an ASEAN Green, Social, Sustainable & Other Labelled Bonds framework. At country level, we increased our China programmes, published our EU-China Common Ground Taxonomy, and produced a Hong Kong and a Thailand green bond taxonomy.

Key Performance Indicators (KPI's)

- The Charity is on course to deliver criteria for the Climate Bonds Standard across key sectors identified as critical to achieving the targets set by the Paris Agreement.
- The number of bonds certified under the Climate Bonds Standard continues to increase.
- Our Market Intelligence team maintains professional monitoring of and provides relevant, timely reports on the international bond markets to quantify the development and issuance of green bonds and other labelled debt instruments.
- Climate Bonds Initiative maintains its high standards of preparation, publication and presentation of policy and technical analyses.
- Climate Bonds Initiative continues to expand the breadth and depth of its partnerships with investors, banks, data service providers and other key beneficiaries.
- Climate Bonds Initiative continues to increase its geographical reach.

- The Charity continues to lift Climate Bonds Initiative’s global brand recognition, profile and share of voice on key issues.

Financial Review

The Balance Sheet is shown on page 15 of this document, with further analysis shown in notes 12-21 on pages 17-32.

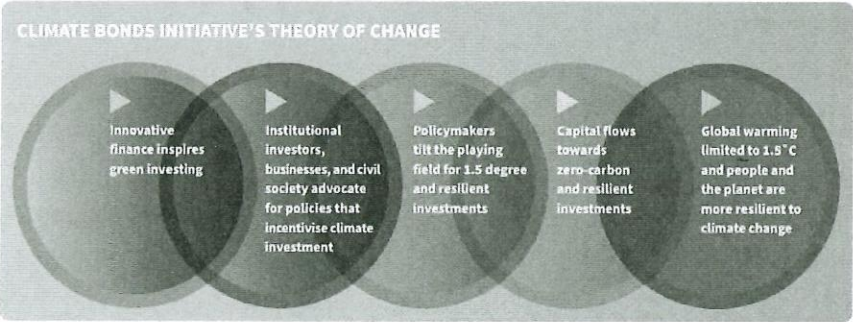
For the year ended 31 December 2022, the Charity had income of £6.8m (2021: £6.5m) and incurred expenditure of £6.3m (2021: £5.1m).

Climate Bonds Initiative’s success continues to be built upon the breadth and depth of relationships developed over time with investors, banks and others, as well as an increase in the geographical reach of the organisation’s work.

Climate Bonds Initiative’s unrestricted funds at the end of 2022 was £2.1m (2021: £1.6m). Restricted income recognised in the year has been spent with a £76k (2021: 108k) carry forward balance. Net assets of the Charity at the year-end amounted to £2.2m (2021: £1.7m).

Future Plans

In 2022 we concluded work on our strategy for the next three years of our mission. Our strategy focuses on mobilising global capital for climate action through four strategic objectives. The first objective aims to strengthen internal strategies and processes to optimise impact. The other three objectives focus on demonstrating the investment opportunity in the transition to a sustainable and resilient future, inspiring investors to champion climate action, and shaping climate policy to establish a favourable environment for green and resilient investments. By pursuing these objectives, Climate Bonds aims to contribute to a rapid transition to a sustainable, green, and resilient future where societies and ecosystems thrive in the face of climate change. We also worked on our Theory of Change to outline how we intend on achieving the goal of limiting global warming to 1.5 degrees Celsius, with people and the planet being more resilient to climate change.



Key areas of focus include policy analysis and advocacy, standards and taxonomies, certification, capacity building, market development, market intelligence and research, and investor engagement. Our global and regional priorities include achieving an ever-stronger presence in the European Union, Latin America and the Caribbean, and ASEAN. We will prioritize key countries such as China, United States, India, Japan, and Brazil, given their high emissions profiles and role in shaping the global climate agenda. Our hope to remain the leading authority on taxonomies and to provide market intelligence globally by 2025.

Public Benefit Statement

The Charity has regard to the guidance on public benefit published by the Charity Commission. Climate change is an enormous worldwide challenge that will affect nations, communities and societies. Addressing that challenge requires huge levels of financing immediately, as well as in the near to medium future. Climate and green bonds have the potential to make a major contribution to that financing. For the climate bonds market to grow, investments need to be underpinned by confidence in the green credentials of bonds. The Charity manages the Climate Bonds Standards that play a vital role in ensuring that there is confidence and credibility in these investments.

Details of activities in furtherance of public benefit are set out in this report.

Principal Risks and Uncertainties

The Trustees have assessed the major risks that the Charity faces in relation to its operations and finances and are satisfied that the Charity is taking the action necessary to mitigate its exposure to these risks. A risk assessment register is being maintained and updated on a regular basis.

The main risks and uncertainties facing the Charity relate to:

- Financial stability: Ensuring that the Charity's sources of income continue in the future requires maintaining a range of income streams, maintaining good relationships with the Charity's financial supporters and continuing to provide guidance and encouragement that is respected and well-received by the international financial markets and governmental regulators.
- Lack of engagement from potential bond issuers: If bond issuers do not recognise the value of issuing green bonds the charity's overall objective to stimulate green growth is diminished.
- Lack of engagement from other financial market stakeholders such as investors, underwriting banks and domestic/international development banks.
- Lack of participation by policymakers and regulators as a result of disinterest in engaging with our outputs and advocacy. This could put the Climate Bonds Initiative's leading international standing at risk.

Reserves policy

The Board has agreed that the Charity, in addition to any restricted reserves and commitments to, and investment in, tangible fixed assets, should aim to have unrestricted free reserves of at least three months of current total unrestricted expenditure, so that the Charity's activities could continue in the event of any significant short-term funding shortfalls.

Unrestricted reserves at the year-end showed a surplus of £2.1m (2021: £1.6m). Unrestricted reserves exceeded the minimum free reserves at the end of 2022 by approximately £1.4m (2021: £1.1m).

Structure, Governance and Management

Climate Bonds Initiative is a company limited by guarantee and a registered charity. The Charity's memorandum and articles of association are its primary governing documents. The Trustees of Climate Bonds Initiative are also the directors of the charitable company for the purposes of company law. Climate Bonds Initiative has three wholly owned subsidiaries which are included in the consolidated financial statements.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 2.

Trustees

Trustees are elected by recommendation from existing charity trustees and by confirmation by the Chair of the Board. An appropriate vetting process is overseen by the Chair.

Climate Bonds Initiative appoints and recruits new trustees through its wide network of supporters, bearing in mind the skills required. The overall performance of the Charity is the responsibility of the Board, but day-to-day decision-making is delegated to the Chief Executive Officer and Executive Director (formerly Deputy CEO), supported by the Senior Leadership Team. Key strategic direction and major issues of policies and procedures are set by the Board for implementation by the Chief Executive Officer and Executive Director. The induction and training of trustees is handled through a series of individual meetings with key personnel.

The Board sets the pay of the CEO and Executive Director and provides guidance for setting pay and remuneration for other senior staff.

Key management personnel

The key management personnel of the group consist of the Trustees, the Chief Executive Officer and the Executive Director (formerly the Deputy CEO):

- Chief Executive Officer: Sean Kidney
- Executive Director: Claire Berson¹

In addition, the following individuals served on the Senior Leadership Team during the year:

- Director of Environmental Impact & Thought Leadership: Anna Creed
- Director of Finance: Duncan Perritt (from March 2022)
- Director of Operations: Nicola Adams-Hendry (from August 2022)
- Director of People & Culture: Helen Ferguson
- Director of Programmes: Karthik Iyer (until November 2022)
- Director of Strategy & Programmes: Ujala Qadir (from December 2022)
- Director of Technical Development: Bridget Boule (from November 2022)

Related parties

See note 21.

Trustees' Responsibilities in Relation to the Financial Statements

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

Company law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS102);
- 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;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

¹ Claire Berson held the position of interim Deputy Chief Executive Officer until she was formally instated as Executive Director in March 2022

Disclosure of Information to the Auditors

We, the Directors of the charitable company who held office at the date of approval of these Financial Statements as set out above, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditor

PKF Littlejohn LLP was appointed as auditor during 2020 and have indicated their willingness to continue in office.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

Approval

This report was approved by the Board on **14th September 2023** and signed on its behalf.

A handwritten signature in black ink, appearing to be 'Doris Honold', written in a cursive style.

Doris Honold, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CLIMATE BONDS INITIATIVE**Opinion**

We have audited the financial statements of Climate Bonds Initiative (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2022, and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 the light of the knowledge and understanding of the group and parent 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' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company 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 group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sectors in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, employee and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to:
 - enquiries of management; and
 - review of minutes
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that provisions for doubtful debts and other liabilities as well as accruals and deferrals could be subject to management bias. We have reviewed the calculations for provisions and the assumptions involved. We also reviewed the application of cut-off through accrued and deferred income. No issues were identified.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. No issues were identified in our review.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date *25 September 2023*

CLIMATE BONDS INITIATIVE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
 (incorporating an income and expenditure account)
 YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income from:					
Charitable activities	2	3,075,697	3,504,589	6,580,286	6,266,252
Bank interest	3	-	-	-	7
Other trading income	4	245,543	-	245,543	277,338
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		3,321,240	3,504,589	6,825,829	6,543,597
Expenditure on:					
Charitable activities	5	2,491,818	3,536,551	6,028,369	4,957,729
Trading activities		312,336	-	312,336	152,397
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		2,804,154	3,536,551	6,340,705	5,110,126
		<hr/>	<hr/>	<hr/>	<hr/>
Net income	9	517,086	(31,962)	485,124	1,433,471
Transfers between funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		517,086	(31,962)	485,124	1,433,471
Reconciliation of Funds:					
Total funds brought forward		1,629,817	107,594	1,737,411	303,940
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		2,146,903	75,632	2,222,535	1,737,411
		<hr/>	<hr/>	<hr/>	<hr/>

All income and expenditure derive from continuing activities.


The statement of financial activities includes all gains and losses recognised during the year.

The notes on page 17 to 32 form part of these Financial Statements.

	Notes	Consolidated		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed Assets					
Investments	12	-	-	50,100	50,100
Intangible assets	13	44,376	-	44,376	-
Tangible assets	14	43,481	25,145	41,765	25,145
		<u>87,857</u>	<u>25,145</u>	<u>136,241</u>	<u>75,245</u>
Current Assets					
Debtors	15	1,316,568	1,267,731	1,508,808	1,418,334
Cash		5,761,312	3,245,592	5,574,062	3,032,151
		<u>7,077,880</u>	<u>4,513,323</u>	<u>7,082,870</u>	<u>4,450,485</u>
Creditors: amounts falling due within one year	16	(4,943,202)	(2,801,057)	(4,920,488)	(2,775,840)
Net Current Assets		<u>2,134,678</u>	<u>1,712,266</u>	<u>2,162,382</u>	<u>1,674,645</u>
Net Assets		<u>2,222,535</u>	<u>1,737,411</u>	<u>2,298,623</u>	<u>1,749,890</u>
Charity Funds	17				
Unrestricted funds		2,146,903	1,629,817	2,222,991	1,642,296
Restricted funds		75,632	107,594	75,632	107,594
		<u>2,222,535</u>	<u>1,737,411</u>	<u>2,298,623</u>	<u>1,749,890</u>
Total Funds		<u>2,222,535</u>	<u>1,737,411</u>	<u>2,298,623</u>	<u>1,749,890</u>

The Charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006. The unconsolidated surplus for the year ended 31 December 2022 is £548,733 (2021: £1,445,950).

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved and authorised for issue by the Board of Trustees on **14th September 2023** and were signed on its behalf by:



Doris Honold

Trustee

The notes on pages 17 to 32 form part of these Financial Statements.

CLIMATE BONDS INITIATIVE

CONSOLIDATED STATEMENT OF CASH FLOWS
AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Net cash flow provided by operating activities	20	2,545,238	2,076,863
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(29,518)	(15,161)
Bank interest		-	7
Net cash flow used in investing activities		(29,518)	(15,154)
Change in cash and cash equivalents in the year		2,515,720	2,061,709
Cash and cash equivalents at 1 January		3,245,592	1,183,883
Cash and cash equivalents at 31 December		5,761,312	3,245,592

The notes on pages 17 to 32 form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

General Information

Climate Bonds Initiative is a company limited by guarantee and is registered with the Charity Commission (charity number 1154413) and the Registrar of Companies (company number 07455730) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited £1 per member of the Charity. The address of the registered office is shown under Charity Reference and Administrative Details.

Basis of Preparation of Accounts

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements consolidate Climate Bonds Initiative and its wholly owned subsidiaries, Climate Bonds Services Limited and Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co. Ltd. A further subsidiary company, Climate Bonds Initiative (Europe) ASBL, registered in Belgium is also consolidated, though immaterial this year.

The financial statements are prepared in sterling which is the functional currency of the charity.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees consider that no material uncertainties exist concerning the charity's ability to operate for the foreseeable future.

The trustees have considered the charity's ability to meet its liabilities as they arise over the foreseeable future to June 2024, being 12 months from the date of approval of these financial statements. Accordingly, financial forecasts and cash flow projections have been prepared for this period.

The trustees recognise that in a period of growth there are some uncertainties that exist in the assumptions underlying these forecasts, principally concerning income generation and have identified actions to be taken as appropriate risk mitigation should these assumptions and forecasts not be adequately achieved.

Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

The Charity received government and other grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Verification fees, certification fees, reports income and events income are recognised in full when the charity is entitled to the income.

1. Accounting Policies (continued)

Annual partner subscriptions are recognised 50% immediately and the balance over a 12-month period to which they relate from the month of receipt, with the balance at the year-end included as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

On receipt, donated professional services and donated facilities are recognised as gifts in kind on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services of facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Redundancy and termination payments are recognised immediately upon becoming a constructive obligation. Expenditure is categorised under the following headings:

- Costs of raising funds includes are those costs incurred in attracting donations, and those incurred in trading activities that raise funds; and
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office premises costs, finance, HR, IS/IT, legal and governance costs and management and administration costs. They are incurred directly and necessarily in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in note 8.

Intangible fixed assets

Intangible fixed assets are assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible fixed assets are recorded at historical cost and amortised on a straight-line basis over 4 years.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or net realisable value after depreciation. The cost of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight-line basis:

Plant and machinery	20%
Office equipment	20%

1. Accounting Policies (continued)

Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Creditors are recognised when the Charity has a present or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Foreign Currency

The consolidated financial statements are presented in UK pounds sterling (£'s), the functional currency of the charity. For project planning purposes, the charity uses a standard exchange rate for the year. All transactions denominated in foreign currencies are translated at the spot rate, the actual rate achieved at the time of the transaction.

All balance sheet balances are translated at the prevailing year-end rate. Any gains or losses resulting from exchange rates are recognised through the SoFA.

Funds and Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objective of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

- Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at transaction cost. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at transaction cost. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- 75% capitalisation of graphic design (or front-end development) of website, and subsequent amortisation.
- Intercompany recharge

2. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Projects, advocacy and guidance	3,075,697	3,504,589	6,580,286	6,266,252

3. Bank interest

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Bank interest	-	-	-	7

4. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Trading	245,543	-	245,543	277,338

5. Expenditure on Charitable Activities

	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Projects, advocacy and guidance	5,751,757	276,612	6,028,369	4,957,729
Totals 2021	4,209,795	747,934	4,957,729	

6. Direct costs

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Consultancy costs	1,423,023	1,782,795	3,205,818	2,527,537
Other direct costs	14,708	28,616	43,324	18,775
Travel and subsistence	55,608	141,978	197,586	22,097
Staff costs	1,198,616	1,106,413	2,305,029	1,641,386
Total	2,691,955	3,059,802	5,751,757	4,209,795

7. Support costs

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Conference event costs	5,145	37,250	42,395	3,814
Establishment and general administration	143,375	446,221	589,596	600,697
Support staff costs	-	-	-	35,868
Governance costs	11,011	-	11,011	65,377
Depreciation	11,182	-	11,182	9,711
Amortisation	5,624	-	5,624	28,571
Foreign exchange (gain)/loss	(376,474)	(6,722)	(383,196)	3,896
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(200,137)	476,749	276,612	747,934
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8. Governance costs

	Total 2022 £	Total 2021 £
Accountancy fees	-	28,173
Legal and professional Auditor's remuneration	11,840	14,104
- audit	18,000	13,000
- other services	7,680	10,100
- Overaccrual in prior years	(26,509)	-
	<hr/>	<hr/>
	11,011	65,377
	<hr/> <hr/>	<hr/> <hr/>

9. Net income for the year

The net income is stated after (crediting)/charging:

	Total 2022 £	Total 2021 £
Depreciation of tangible fixed assets	11,182	9,711
Amortisation of intangible fixed assets	5,624	28,571
Net (gains)/losses on foreign exchange	(383,196)	3,896
	<hr/>	<hr/>

10. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	Total 2022 £	Total 2021 £
Wages and salaries	2,013,730	1,339,377
Social security	241,865	161,010
Defined contribution pension costs	44,459	33,566
Redundancy payments	-	3,264
	<hr/>	<hr/>
	2,300,054	1,537,217
	<hr/> <hr/>	<hr/> <hr/>

10. Staff costs and employee benefits (continued)

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Number of employees	
	2022	2021
£60,001 to £70,000	1	5
£70,001 to £80,000	2	-
£80,001 to £90,000	-	1
£90,001 to £100,000	2	-

During the year, the charity paid £8,740 (2021: £3,517) under a defined contribution pension scheme on behalf of staff.

The average monthly number of employees during the year was as follows:

	Number of employees	
	2022	2021
Staff	47	35

11. Trustees' and key management personnel remuneration and expenses

No trustees received any remuneration or reimbursement of travel expenses from the charity during the year (2021 – none).

The trustees consider the board of trustees, the Chief Executive Officer and the Deputy Chief Executive Officer as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. The total amount of employee benefits received by key management personnel during the year was £218,564 (2021: £186,756).

12. Investments (Charity)

Cost	2022 £	2021 £
Investment in Climate Bond Services Limited	100	100
Investment in Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd	50,000	50,000
	<u>50,100</u>	<u>50,100</u>

Climate Bonds Initiative has 100% control of Climate Bond Services Limited (Company registration number 11715956), a company registered by share capital and whose registered office is First Floor, Queen Street Place, London, EC4R 1BE. The subsidiary year-end is also 31 December 2021. The company was incorporated on 6 December 2018. The major activities of the company comprised the hosting of the Climate Bonds Initiative annual conference, for which commercial sponsorship was obtained. The summary financial performance of the subsidiary for the year ended 31 December 2022 is as follows.

	2022 £	2021 £
Turnover	245,483	277,250
Cost of sales	(102,214)	(27,157)
Administrative expenses	(147,549)	(239,543)
	<u>(4,280)</u>	<u>10,550</u>
Operating (loss)/profit	(4,280)	10,550
Gift aid to parent	-	(10,550)
	<u>(4,280)</u>	<u>-</u>
Result for the period	(4,280)	-

12. Investments (Charity) (continued)

CLIMATE BONDS INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2022

Current assets	288,676	188,198
Current liabilities	292,856	(188,098)
	<hr/>	<hr/>
Net (liabilities)/assets	(4,180)	100
	<hr/>	<hr/>

Climate Bonds Initiative has 100% control of Climate Bonds Initiative (Europe) ASBL (Company registration number 0730.588.756), a company registered by share capital and whose registered office is Avenue Léon Jourez 34, 420 Braine l'Alleud, Belgium. The subsidiary year-end is also 31 December 2022. The company was incorporated on 6 December 2018. The company had no material activity in either year but is intended to become a hub for Climate Bonds Initiative's activities in mainland Europe, especially in a post-Brexit era. The summary financial performance of the subsidiary for the period ended 31 December 2022 is as follows.

	2022	2021
	£	£
Turnover	-	88
Administrative expenses	(25,895)	(12,536)
	<hr/>	<hr/>
Result for the year	(25,895)	(12,448)
	<hr/>	<hr/>
	2022	2021
	£	£
Fixed assets	1,716	-
Current assets	186	27,677
Current liabilities	(27,797)	(27,677)
	<hr/>	<hr/>
Net (liabilities)/assets	(25,895)	-
	<hr/>	<hr/>

During the year Climate Bonds Initiative established a subsidiary in China, Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd [Unified Social Credit Code: 91310115MA1K4MYU00]. Climate Bonds Initiative retains 100% control of the company, whose registered address is: No. 14, Lane 1502 Luoshan Road China (Shanghai) Free Trade Pilot Zone. The results for the year to 31 December 2022 were:

	2022	2021
	£	£
Turnover	54	88
Administrative expenses	(36,900)	(12,536)
	<hr/>	<hr/>
Result for the year	(36,846)	(12,448)
	<hr/>	<hr/>
Current assets	12,577	56,996
Current liabilities	(11,871)	(19,444)
	<hr/>	<hr/>
Net assets	706	37,552
	<hr/>	<hr/>
Share capital	50,000	50,000
Retained earnings	(49,294)	(12,448)
	<hr/>	<hr/>
Reserves	706	37,552
	<hr/>	<hr/>

13. Intangible Fixed Assets (Group and Charity)

Cost	Website and database £	Total £
At beginning of year	152,717	152,717
Additions	50,000	50,000
Disposals	-	-
	<hr/>	<hr/>
At end of year	202,717	202,717
	<hr/>	<hr/>
Amortisation		
At beginning of year	152,717	152,717
Charge for the year	5,624	5,624
Released on disposals	-	-
	<hr/>	<hr/>
At end of year	158,341	158,341
	<hr/>	<hr/>
Net Book Value		
At 31 December 2022	44,376	44,376
	<hr/>	<hr/>
At 31 December 2021	-	-
	<hr/>	<hr/>

14. Tangible Fixed Assets (Group)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	73,735	74,159
Additions	-	29,518	29,518
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	103,253	103,677
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	424	48,590	49,014
Charge for the year	-	11,182	11,182
Released on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	59,772	60,196
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2022	-	43,481	43,481
	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	25,145	25,145
	<hr/>	<hr/>	<hr/>

14. Tangible Fixed Assets (Charity)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	73,735	74,159
Additions	-	27,574	27,574
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	101,309	101,733
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	424	48,590	49,014
Charge for the year	-	10,954	10,954
Released on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	59,544	59,968
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2022	-	41,765	41,765
	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	25,145	25,145
	<hr/>	<hr/>	<hr/>

15. Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	1,104,552	854,345	1,015,053	836,345
Other debtors	14,020	7,132	-	6,849
Prepayments and accrued income	197,996	406,254	197,996	406,255
Intercompany debtor	-	-	295,759	168,885
	<hr/>	<hr/>	<hr/>	<hr/>
	1,316,568	1,267,731	1,508,808	1,418,334
	<hr/>	<hr/>	<hr/>	<hr/>

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	203,817	242,912	192,428	224,142
Social security and other taxes	106,644	57,882	106,644	57,882
Other creditors	287,272	258,803	287,272	258,703
Accruals and deferred income*	4,345,469	2,241,460	4,334,044	2,235,013
Intercompany creditor	-	-	100	100
	<hr/>	<hr/>	<hr/>	<hr/>
	4,943,202	2,801,057	4,920,488	2,775,840
	<hr/>	<hr/>	<hr/>	<hr/>

***Deferred income:**

	£
Brought forward at 1 January 2022	1,908,853
Incoming resources deferred during the year	4,081,316
Amounts released from previous years	(1,908,853)
	<hr/>

Carried forward at 31 December 2022

4,081,316

17. Fund reconciliation (consolidated)

Current Year	Balance as at 1.1.22	Income	Expenditure	Transfers	Balance as at 31.12.22
	£	£	£	£	£
European Commission (EuroPace)	(1)	(1,846)	1,847	-	-
UNDP	15,988	13,132	(29,120)	-	-
G & B Moore Foundation	1,033	352,873	(352,873)	-	1,033
Oak Foundation	3,473	140,394	(141,908)	-	1,959
World Resources Institute (WRI)	17,380	9,981	(24,637)	-	2,724
BEIS China	3,905	-	-	-	3,905
BEIS Columbia	9,460	-	(2,009)	-	7,451
Agora Foundation	185	-	-	-	185
ECF EU Taxonomy 2020	1,597	-	-	-	1,597
ECF EU Taxonomy 2021	24,130	12,795	(38,781)	-	(1,856)
ECF EU Taxonomy 2022	-	109,311	(109,312)	-	(1)
ECF Tara	(9,126)	24,015	(14,889)	-	-
FSD Africa	2,490	30,359	(2,850)	-	29,999
GCA Standards	(144)	-	144	-	-
GIZ ASEAN	6,349	(4,858)	-	-	1,491
Growald Foundation	(7,935)	111,630	(103,695)	-	-
IPSF GIZ 2020	26,035	-	84,126	-	110,161
IPSF GIZ 2021-22	-	(111,655)	-	-	(111,655)
The Children's Investment Fund The Foreign Commonwealth and Development Office – India 2021	-	1,042,204	(1,042,204)	-	-
The Foreign Commonwealth and Development Office – India 2022	1	121,426	(121,426)	-	1
UK PACT China	(20)	143,343	(135,267)	-	8,056
UK PACT Columbia	-	417,228	(417,228)	-	-
UK PACT India	-	24,109	(24,106)	-	3
UNDRR	-	102,331	(101,302)	-	1,029
Laudes Foundation 2021-23	(170)	370,436	(370,266)	-	-
New Venture Fund	12,964	531,703	(531,703)	-	12,964
Tara Climate Limited	-	29,474	(22,888)	-	6,586
Total restricted funds	107,594	3,504,589	(3,536,551)	-	75,632
General Funds	1,629,817	3,321,240	(2,804,154)	-	2,146,903
Total unrestricted funds	1,629,817	3,321,240	(2,804,154)	-	2,246,903
Total funds	1,737,411	6,825,829	(6,340,705)	-	2,222,535

17. Fund reconciliation (consolidated) (continued)

Prior Year	Balance as at 1.1.21 £	Income £	Expenditure £	Transfers £	Balance as at 31.12.21 £
European Commission (EuroPace)	-	32,120	(32,121)	-	(1)
UNDP	-	108,526	(92,538)	-	15,988
G & B Moore Foundation	-	288,941	(287,908)	-	1,033
Oak Foundation	3,268	218,226	(218,021)	-	3,473
World Resources Institute (WRI)	-	93,149	(75,769)	-	17,380
BEIS China	3,905	-	-	-	3,905
BEIS Columbia	9,810	-	(350)	-	9,460
Agora Foundation	(310)	50,424	(49,929)	-	185
ECF EU Taxonomy 2020	27,692	13,343	(39,438)	-	1,597
ECF EU Taxonomy 2021	-	114,697	(90,567)	-	24,130
ECF Tara	28,907	89,958	(127,991)	-	(9,126)
FSD Africa	32	39,619	(37,161)	-	2,490
GCA Standards	89	9,340	(9,573)	-	(144)
GIZ ASEAN	6,349	192,907	(192,907)	-	6,349
Growald Foundation	49,690	-	(57,625)	-	(7,935)
IPSF GIZ	625	162,615	(137,205)	-	26,035
The Children's Investment Fund	-	779,966	(779,966)	-	-
The Foreign Commonwealth and Development Office	-	83,137	(83,136)	-	1
UK PACT – Columbia	-	374,827	(374,827)	-	-
UK PACT China	-	319,153	(319,173)	-	(20)
UK PACT – India	-	95,410	(95,410)	-	-
IPSF GIZ 2021/22	-	111,612	(111,612)	-	-
Laudes Foundation 2021-23	-	13,367	(13,537)	-	(170)
New Venture Fund	-	10,424	2,540	-	12,964
Total restricted funds	130,057	3,201,761	(3,224,224)	-	107,594
General Funds	173,883	3,341,836	(1,885,902)	-	1,629,817
Total unrestricted funds	173,883	3,341,836	(1,885,902)	-	1,629,817
Total funds	303,940	6,543,597	(5,110,126)	-	1,737,411

Purposes of Restricted Funds:**European Commission (EuroPace)**

European Commission under its Horizon 2020 Programme funded the project "EuroPace – Developing, piloting and standardising on-tax financing for residential energy efficiency retrofits in European cities and regions" from March 2018 to February 2021 in a total amount up to €175,775.

UNDP

Support for Climate Bonds Initiative to participate in Working Group "Developing Taxonomy for Indian Government.

G & B Moore Foundation

Driving the Development of Green Agri Bonds in Brazil and China.

Oak Foundation

Oak Foundation funded the project "Growing the Global Green Bonds Market" from September 2016 to December 2021.

World Resources Institute (WRI)

Support to WRI project entitled "Transformational Project Pipelines for NDC Implementation" Signed in 2019 and extended to Sept 2022.

BEIS:**China**

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Sustaining the Growth of China's Green Bond Market and Facilitating Inter-Country Green Capital Flows" (February 2019 – November 2020) with £300,000.

Colombia

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Scaling up Green Finance and establishing building blocks for scalable and low carbon investment in Colombia" (July 2019 – October 2020) with £485,699.54.

Mexico

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Building a foundation for a sustainable and scalable low carbon future in Mexico - from Green Bonds to a Greener Ecosystem" (July 2019 – September 2020) with £181,622.

Agora Foundation

SEFEP GmbH Agora Energiewende funded Climate Bonds Initiative with a grant for working in the context of "CRUX Policy Centre Power" with the objective of enabling the energy transition in South Africa by building capacity for green bonds (June 2020 - January 2021) with €70,000.. SEFEP (Smart Energy for Europe Platform) received the grant funding from the Aspen Global Change Institute (AGCI).

ECF EU Taxonomy 2020

The European Climate Foundation funded this project to step up engagement and capacity building activities with key stakeholders, such as Member States, around EU green taxonomy developments and future plans. Also, it continues Climate Bonds Initiative's technical engagement with EU on next iteration of taxonomy. (April 2020 - March 2021) with €155,619.

ECF EU Taxonomy 2021

EU Sustainable Finance Taxonomy - Ensuring alignment to 1.5 degree pathways and supporting the growth of a Taxonomy-aligned green bond markets in key Member States in Europe.

ECF Tara

EU Sustainable Finance Taxonomy - Ensuring alignment to 1.5 degree pathways and supporting the growth of a Taxonomy-aligned green bond markets in key Member States in Europe.

FSD Africa

The Financial Sector Deepening Africa (FSDA) has funded this project to Climate Bonds Initiative to act as the lead consultant in the Nigerian Green Bonds Programme. Climate Bonds Initiative has provided support for Green Bond Issuance, which involves issuance of guidelines and listing requirements for green bonds,

developing a pool of Nigeria-based Licenced verifiers, developing a pipeline of green investments, developing an international collaboration, and developing a debt capital market reform agenda to support green bonds under the Debt Capital Markets Development. (April 2018 - June 2021) with £110,320.

GCA Standards

The Global Centre on Adaptation funded this project with an overall goal to help advance common understanding of resilience investments and opportunities in the bond market, through bespoke research, guidance preparation, and stakeholder engagement (Sep. 2020 - March 2021) with €64,763.

GIZ ASEAN

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) funded this project to assess the "EU Sustainable Finance Action Plan to Finance a Green Corona Recovery" in the ASEAN Region (Dec 2020 - Aug 2021) with €447,147.

Growald Foundation

The Growald Foundation has funded this project to deliver: (i) Green infrastructure investment opportunities report and investor forum for GBA, (ii) Market education and trainings to relevant stakeholders in GBA* on green bonds, (iii) Guidelines on green transition finance for China with a focus on Guangdong/GBA (July 2020 - October 2021) with \$100,000.

(* GBA is the Greater Bay Area of China comprising Hong Kong and neighbouring Chinese cities)

IPSF GIZ

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) has funded this project to support the International Platform on Sustainable Finance (IPSF), an initiative of the EU's DG FISMA (June 2020 - April 2021) with €175,716.

The Children's Investment Fund

Accelerated industrial decarbonisation in Europe through dedicated transition financing to industrial companies

The Foreign Commonwealth and Development Office

UK PACT – Columbia

Greening the Colombian Financial System: Implementing local green definitions to enable long-term investment into priority sectors.

UK PACT – China

Accelerating high-quality growth in China's Green Bond market and supporting post-COVID Green Economic Recovery.

UK PACT – India

Strengthening climate risk assessment and enabling central bank supervision in the Indian financial sector: a partnership with frontrunning banks and DFIs.

IPSF GIZ 2021/22

IPSF Technical support Phase 2 (International Platform for Sustainable Finance).

Laudes Foundation 2021/23

EU Building Programme on Energy Efficiency

New Venture Fund

Preparation of Concept Note for Transition Proposal on Land use.

Rockefeller Foundation – Rev303

Rockefeller Foundation funded the standards project "Climate Bonds Standards and Definitions to Support Market Confidence" from August 2017 to May 2020 in a total amount up to \$400,000.

Rockefeller Foundation – INF311

Rockefeller Foundation funded the policy project "Green Aggregation and Securitization in Emerging Markets and Developing Countries" from November 2015 to June 2017 (extended to June 2019) in a total amount up to \$510,000.

FCO India

FCO (UK Foreign and Commonwealth Office) funded the project "Using Green Bonds to Raise International Capital for India's Transition to a Low-Carbon and Climate Resilient Economy Phase –(II)" from January 2018 to July 2018 in a total amount up to £57,717.

ECF ASEAN

The International Forum for Energy (IFE), an initiative of the European Climate Foundation (ECF), has funded this project to grow green infrastructure investment opportunities and the green bond market in ASEAN in order to facilitate capital flows into green infrastructure in ASEAN countries (April 2019 - April 2020) with \$150,000.00.

19. Analysis of net assets between funds

Current Year	Fixed Assets £	Current assets £	Creditors due within one year £	Total £
Restricted Funds	-	75,632	-	75,632
Unrestricted funds	87,857	7,002,248	(4,943,202)	2,146,903
Total funds	<u>87,857</u>	<u>7,077,880</u>	<u>(4,943,202)</u>	<u>2,222,535</u>
Prior Year	Fixed Assets £	Current Assets £	Creditors due within one year £	Total £
Restricted Funds	-	107,594	-	107,594
Unrestricted funds	25,145	4,405,729	(2,801,057)	1,629,817
Total funds	<u>25,145</u>	<u>4,513,323</u>	<u>(2,801,057)</u>	<u>1,737,411</u>

20. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds for the year	485,124	1,433,471
Bank interest	-	(7)
Depreciation and amortisation	16,806	38,282
(Increase) in debtors	(48,837)	(504,055)
Increase in creditors	2,142,145	1,109,172
Net cash provided by operating activities	<u>2,545,238</u>	<u>2,076,863</u>

21. Related Party Transactions

During the year, the daughter of the Chief Executive, Sean Kidney, was paid £nil (2021: £90) for services provided to the charity on an arm's length basis.

22. Prior year Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:				
Charitable activities	2	3,064,491	3,201,761	6,266,252
Bank interest	3	7	-	7
Other trading income	4	277,338	-	277,338
		<hr/>	<hr/>	<hr/>
Total Income		3,341,836	3,201,761	6,543,597
		<hr/>	<hr/>	<hr/>
Expenditure on:				
Charitable activities	5	1,733,505	3,224,224	4,957,729
Trading activities		152,397	-	152,397
		<hr/>	<hr/>	<hr/>
Total expenditure		1,885,902	3,224,224	5,110,126
		<hr/>	<hr/>	<hr/>
Net income	9	1,455,934	(22,463)	1,433,471
Transfers between funds		-	-	-
		<hr/>	<hr/>	<hr/>
Net Movement in Funds		1,455,934	(22,463)	1,433,471
Reconciliation of Funds:				
Total funds brought forward		173,883	130,057	303,940
		<hr/>	<hr/>	<hr/>
Total funds carried forward		1,629,817	107,594	1,737,411
		<hr/>	<hr/>	<hr/>

CLIMATE BONDS INITIATIVE

England & Wales - Charity number 1154413

Accounts

CLIMATE BONDS INITIATIVE

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

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CLIMATE BONDS INITIATIVE**CHARITY REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees	Mr Nicholas Silver (Chair) Mr Simon Cooper Ms Doris Honold Dr Karl Mallon Mr Bryan Martel (resigned 1 July 2022) Prof Cynthia Williams Ms Karen Kearney (appointed 26 July 2021) Mr Jonathan Stone (appointed 26 July 2021)
CEO	Mr Sean Kidney
Company Number	07455730
Charity Number	1154413
Registered Office	First Floor Queen Street Place London EC4R 1BE
Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ
Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD

The Trustees are pleased to present the audited consolidated Financial Statements of Climate Bonds Initiative ('the Charity') together with the Annual Report for the year ended 31 December 2021. The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (applicable from 1 January 2019).

The company qualifies as small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

The **objectives** of the Charity are the preservation and conservation of the environment (in particular but not exclusively) by:

- serving as a catalyst to mobilise the global investment required in developing and developed countries to address the threat of catastrophic climate change;
- working to align government policy, industry development and institutional finance toward the timely and affordable deployment of a global low carbon economy; and
- ensuring the environmental credibility of debt issuance and investment.

The Charity carries out the following general activities in direct support of the objectives:

1. **Advocacy** - to encourage and enthuse the global financial community, industries and governments to support the transition to a low carbon economy.
2. **Capacity-building and training** - for the wide range of stakeholders, including Governments, to actively participate and help drive the development of the green bonds market.
3. **Stakeholder engagement and events** - to create awareness and knowledge of the opportunity of the green bonds market and trends for future growth.

The activities that the Charity carries out to support the accomplishment of these objectives are organised under the following seven work streams:

1. **Standards** - develops Paris-aligned, sector-specific, science-based criteria for the Climate Bonds Standard which serves as a tool for investors to assess the credibility of green bonds globally. The team manages and coordinates a panel of independent experts in the development of the criteria for key sectors, from the initial scientific analysis through to the finalisation of internationally accepted definitions of the Climate Bonds Standard.
2. **Certification** - manages the application of the certification label for green bonds that have been independently verified to be in compliance to the Climate Bonds Standard.
3. **Market intelligence** - monitors⁶ and reports on outstanding bonds where proceeds are going to climate change solutions globally and provides commentary on the environmental relevance of underlying assets and projects linked to green bonds, with a view to shaping global markets towards climate solutions.
4. **Policy** - policy analysis and proposals for Governments, financial sector regulators and other public sector bodies that will foster the growth climate-related finance, including the green bonds market.
5. **Partnerships** - engagement, education and support for investors, banks and others to promote capital flows to climate action, through access to green bond data and analysis and through collaborative activities.
6. **Market development** - Government and financial sector regulator support and investor education around the world.
7. **Communications and media** - external communications, media relations, brand and public profile.

Public Benefit Statement

The Charity has regard to the guidance on public benefit published by the Charity Commission.

Climate change is an enormous worldwide challenge that will affect nations, communities and societies. Addressing that challenge requires huge levels of financing immediately, as well as in the near to medium future. Climate and green bonds have the potential to make a major contribution to that financing. For the climate bonds market to grow, investments need to be underpinned by confidence in the green credentials of bonds. The Charity manages the Climate Bond Standards that play a vital role in ensuring that confidence.

Details of activities in furtherance of public benefit are set out in this report.

Principal Risks and Uncertainties

The Trustees have assessed the major risks that the Charity faces in relation to its operations and finances and are satisfied that the Charity is taking the action necessary to mitigate its exposure to these risks. A risk assessment register is being maintained and updated on a regular basis.

The main risks and uncertainties facing the Charity relate to:

- Financial stability: Ensuring that the Charity's sources of income continue in the future requires maintaining a range of income streams, maintaining good relationships with the Charity's financial supporters and continuing to provide guidance and encouragement that is respected and well-received by the international financial markets and governmental regulators.
- Lack of engagement from potential bond issuers: If bond issuers do not recognise the value of issuing green bonds the charity's overall objective to stimulate green growth is diminished.
- Lack of engagement from other financial market stakeholders such as investors, underwriting banks and domestic/international development banks.
- Lack of participation by policymakers and regulators as a result of disinterest in engaging with our outputs and advocacy. This could put the Climate Bonds's leading international standing at risk.

Achievements and Performance

Review of activities in the year

The main activities in the year included:

- Developing Climate Resilience Principles for use by Governments, investors and the banking sector.
- Expansion of activities in market development in Latin America, driving market intelligence, taxonomy and standards and contributing to the development of the Colombia's green taxonomy and the Chilean Taxonomy Roadmap. 2021 saw the issuance of the world's first green bond for agriculture in Brazil, as well as the first certification under Forestry and the first Bioenergy certification. In total, in Latin America in 2021, over 140 bonds were issued.
- Further increase in India programmes with active membership of key working groups at national level in sustainable finance. Indian GSS debt issuance increased more than sixfold in 2021 to reach a value of USD\$7.5bn. 2021 also saw a 126% increase in green bond volumes with Climate Bonds Certification.
- Our Transition programme, which began in 2020, produced a Transition Finance for Transforming Companies paper, which lays out the principles underlying a credible entity's transition strategy.
- Delivery of 43 training programmes worldwide, including Green Bond training, taxonomy and verification and certification training. Additionally, two of our programmes gained CPD certification, with more to follow.
- Work by the Standards team with experts around the world to extend the number of sector-specific criteria for green investments.
- Continuing to champion and promote green finance milestones and framing future global investment objectives and goals.
- Further increases in the number of debt instruments certified under the Climate Bonds Standard.

- A strong communications & media strategy resulting in over 6.5k media mentions in 2021, working to maintain and enhance Climate Bonds's ability to lead the conversation in the green finance space. Additionally, 38 webinars were delivered, attracting 14,340 attendees and 24,747 YouTube views.
- Influencing Central Bank and Regulator policy towards greening the global financial system.
- Climate Bonds Initiative's 5-day annual conference, "*The 2030 Green Window framing a sustainable future*" brought together key stakeholders from 121 countries and 1,946 organisations (a 13% increase on prior year attendees – the best-attended conference in Climate Bonds' history) and fostered pivotal discussions across borders, discussing the latest in transition, sustainable and climate finance.

Amongst others, the Charity has carried out high level collaborations with:

- Directorate General FISMA, the EU Commission department responsible for EU policy on banking and finance.
- Financial sector regulators and initiatives, for example the network for greening the financial system (NGSF) representing 60+ Central Banks around the world, and the ASEAN Capital Markets Forum (of regulators).
- The International Capital Markets Association (ICMA) Green Bond Principles.
- NGOs such as the Natural Resources Defence Council and the World Resources Institute (WRI).
- Government ministries and regulators, such as the Ministry of Environment in Japan (MOEJ); the Ministry of Infrastructure and Ministry of Agriculture in Brazil; People's Bank of China; Ministry of Finance Chile; and the Hong Kong Monetary Authority.

The primary impact of the Charity has been in helping to promote and support the rapid growth that has occurred since 2015 in green bond markets around the world.

Key Performance Indicators (KPI's)

- The Charity is on course to deliver criteria for the Climate Bonds Standard across key sectors identified as critical to achieving the targets set by the Paris Agreement.
- The level of green bonds certified under the Climate Bonds Standard continues to increase.
- Our Market Intelligence team maintains professional monitoring of and provides relevant, timely reports on the international bond markets to quantify the development and issuance of green bonds and other labelled debt instruments.
- Climate Bonds Initiative maintains its high standards of preparation, publication and presentation of policy and technical analyses.
- Climate Bonds Initiative continues to expand the breadth and depth of its partnerships with investors, banks, data service providers and other key beneficiaries.
- Climate Bonds Initiative continues to increase its geographical reach.
- The Charity continues to lift Climate Bonds Initiative's global brand recognition, profile and share of voice on key issues.

Financial Review

For the year ended 31 December 2021, the Charity had income of £6.5m (2020: £3.6m) and incurred expenditure of £5.1m (2020: £3.2m).

Climate Bonds Initiative's success continues to be built upon the breadth and depth of relationships developed over time with investors, banks and others, as well as an increase in the geographical reach of the organisation's work.

Climate Bonds Initiative's unrestricted surplus for the year 2021 was £1.4m (2020: £282k). The reserve has increased to support the development of the infrastructure in-line with the growth of the Charities activities and projects planned for the year ahead.

Net assets of the Charity at the year-end amounted to £1.7m (2020: £304k).

Restricted income recognised in the year has been spent with a £108k (2020: 130k) carry forward balance.

Reserves policy

The Board has agreed that the Charity, in addition to any restricted reserves and commitments to, and investment in, tangible fixed assets, should aim to have unrestricted free reserves of at least three months of current total unrestricted expenditure, so that the Charity's activities could continue in the event of any significant short-term funding shortfalls.

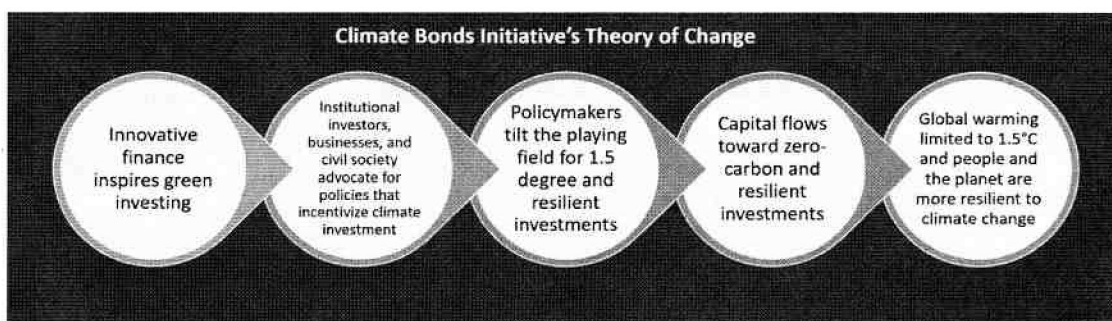
Unrestricted reserves at the year-end showed a surplus of £1.6m (2020: £173k). Unrestricted reserves exceeded the minimum free reserves at the end of 2021 by approximately £1.1m (2020 shortfall: £400k).

Future Plans

The Charity plans to continue the growth of its activities significantly in the coming years; the global consequences are too great not to do so.

Climate Bonds has ambitious organisational goals and strategic plans to increase our impact. Our strategic objectives for 2023-5 are:

1. To influence the public sector to mobilise public and private capital with speed and scale to finance the transition to 1.5 degree and resilient economies
2. To empower a network of investors that amplify and endorse Climate Bonds Initiative's efforts in influencing policymakers to incentivize capital to flow toward 1.5 degree aligned and resilient investments
3. To support the growth of a large and credible finance market that is aligned to 1.5 degree and resilient definitions



Post Balance Sheet events

There are no post-balance sheet events to disclose.

Structure, Governance and Management

Climate Bonds Initiative is a company limited by guarantee and a registered charity. The Charity's memorandum and articles of association are its primary governing documents. The Trustees of Climate Bonds Initiative are also the directors of the charitable company for the purposes of company law. Climate Bonds Initiative has a wholly owned subsidiary, Climate Bonds Services Limited, which is included in the consolidated financial statements.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 2.

Trustees

Trustees are elected by recommendation from existing charity trustees and by confirmation by the Chair of the Board. An appropriate vetting process is overseen by the Chair.

Climate Bonds Initiative appoints and recruits new trustees through its wide network of supporters, bearing in mind the skills required. The overall performance of the Charity is the responsibility of the Board, but day-to-day decision-making is delegated to the Chief Executive Officer and Executive Director (formerly Deputy CEO), supported by the Senior Leadership Team. Key strategic direction and major issues of policies and procedures are set by the Board for implementation by the Chief Executive Officer and Executive Director. The induction and training of trustees is handled through a series of individual meetings with key personnel.

The Board sets the pay of the CEO and Executive Director and provides guidance for setting pay and remuneration for other senior staff.

Key management personnel

The key management personnel of the group consist of the Trustees, the Chief Executive Officer and the Executive Director (formerly the Deputy CEO):

- Chief Executive Officer: Sean Kidney
- Deputy Chief Executive Officer (interim): Claire Berson¹ (from June 2021)
- Deputy Chief Executive Officer: Justine Leigh-Bell (to May 2021)

In addition, the following individuals served on the Senior Leadership Team during the year:

- Chief Operating Officer: Anne Murrell (to May 2021)
- Director of Client Services: Claire Berson (to May 2021)
- Director of Finance: Tim Morris² (to November 2021)
- Director of Market Development: Justine Leigh-Bell (June 2021 to December 2021)
- Director of People & Culture: Helen Ferguson (from June 2021)
- Director of Programmes: Karthik Iyer (from February 2021)
- Associate Director of Thought Leadership: Anna Creed (from September 2021)

Related parties

See note 21.

¹ Title changed to Executive Director in March 2022

² Replaced by Director of Finance: Duncan Perritt (from March 2022)

Trustees' Responsibilities in Relation to the Financial Statements

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

Company law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS102);
- 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;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to the Auditors

We, the Directors of the charitable company who held office at the date of approval of these Financial Statements as set out above, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

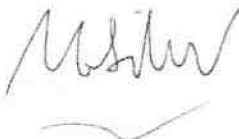
Auditor

PKF Littlejohn LLP was appointed as auditor during 2020 and have indicated their willingness to continue in office.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

Approval

This report was approved by the Board on 18 August 2022 and signed on its behalf.



Nicholas Silver, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CLIMATE BONDS INITIATIVE**Opinion**

We have audited the financial statements of Climate Bonds Initiative (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021, and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 the light of the knowledge and understanding of the group and parent 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' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company 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 group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sectors in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, employee and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to:
 - enquiries of management; and
 - review of minutes
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that provisions for doubtful debts and other liabilities as well as accruals and deferrals could be subject to management bias. We have reviewed the calculations for provisions and the assumptions involved. We also reviewed the application of cut-off through accrued and deferred income. No issues were identified.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. No issues were identified in our review.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date 27 September 2022

CLIMATE BONDS INITIATIVE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Charitable activities	2	3,064,491	3,201,761	6,266,252	3,506,446
Bank interest	3	7	-	7	101
Other trading income	4	277,338	-	277,338	137,727
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Income		3,341,836	3,201,761	6,543,597	3,644,274
Expenditure on:					
Charitable activities	5	1,733,505	3,224,224	4,957,729	3,104,622
Trading activities		152,397	-	152,397	133,871
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditure		1,885,902	3,224,224	5,110,126	3,238,493
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income	9	1,455,934	(22,463)	1,433,471	405,781
Transfers between funds		-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Movement in Funds		1,455,934	(22,463)	1,433,471	405,781
Reconciliation of Funds:					
Total funds brought forward		173,883	130,057	303,940	(101,841)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds carried forward		1,629,817	107,594	1,737,411	303,940
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

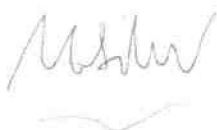
The notes on page 16 to 31 form part of these Financial Statements.

	Notes	Consolidated		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed Assets					
Investments	12	-	-	50,100	100
Intangible assets	13	-	28,571	-	28,571
Tangible assets	14	25,145	19,695	25,145	19,695
		<u>25,145</u>	<u>48,266</u>	<u>75,245</u>	<u>48,366</u>
Current Assets					
Debtors	15	1,267,731	763,676	1,418,334	791,353
Cash		3,245,592	1,183,883	3,032,151	1,156,206
		<u>4,513,323</u>	<u>1,947,559</u>	<u>4,450,485</u>	<u>1,947,559</u>
Creditors: amounts falling due within one year	16	(2,801,057)	(1,691,885)	(2,775,840)	(1,691,985)
Net Current Assets/(Liabilities)		<u>1,712,266</u>	<u>255,674</u>	<u>1,674,645</u>	<u>255,574</u>
Net Assets/(Liabilities)		<u>1,737,411</u>	<u>303,940</u>	<u>1,749,890</u>	<u>303,940</u>
Charity Funds	17				
Unrestricted funds		1,629,817	173,883	1,642,296	173,883
Restricted funds		107,594	130,057	107,594	130,057
		<u>1,737,411</u>	<u>303,940</u>	<u>1,749,890</u>	<u>303,940</u>
Total Funds		<u>1,737,411</u>	<u>303,940</u>	<u>1,749,890</u>	<u>303,940</u>

The Charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006. The unconsolidated surplus for the year ended 31 December 2021 is £1,445,950 (2020: £405,781).

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved and authorised for issue by the Board of Trustees on 18 August 2022 and were signed on its behalf by:

Nicholas Silver



Trustee

The notes on pages 16 to 31 form part of these Financial Statements.

CLIMATE BONDS INITIATIVE

CONSOLIDATED STATEMENT OF CASH FLOWS
AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net cash flow provided by operating activities	20	2,076,863	817,560
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(15,161)	(46)
Bank interest		7	101
Net cash flow used in investing activities		(15,154)	55
Change in cash and cash equivalents in the year		2,061,709	817,615
Cash and cash equivalents at 1 January		1,183,883	366,268
Cash and cash equivalents at 31 December		3,245,592	1,183,883

The notes on pages 16 to 31 form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

General Information

Climate Bonds Initiative is a company limited by guarantee and is registered with the Charity Commission (charity number 1154413) and the Registrar of Companies (company number 07455730) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited £1 per member of the Charity. The address of the registered office is shown under Charity Reference and Administrative Details.

Basis of Preparation of Accounts

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements consolidate Climate Bonds Initiative and its wholly owned subsidiaries, Climate Bonds Services Limited and Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd. A further subsidiary company, Climate Bonds Initiative (Europe) ASBL, registered in Belgium is also consolidated, though immaterial this year.

The financial statements are prepared in sterling which is the functional currency of the charity.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees consider that no material uncertainties exist concerning the charity's ability to operate for the foreseeable future.

The trustees have considered the charity's ability to meet its liabilities as they arise over the foreseeable future to June 2022, being 12 months from the date of approval of these financial statements. Accordingly, financial forecasts and cash flow projections have been prepared for this period.

The trustees recognise that in a period of growth there are some uncertainties that exist in the assumptions underlying these forecasts, principally concerning income generation and have identified actions to be taken as appropriate risk mitigation should these assumptions and forecasts not be adequately achieved.

Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

The Charity received government and other grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Verification fees, certification fees, reports income and events income are recognised in full when the charity is entitled to the income.

1. Accounting Policies (continued)

Annual partner subscriptions are recognised 50% immediately and the balance over a 12-month period to which they relate from the month of receipt, with the balance at the year-end included as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

On receipt, donated professional services and donated facilities are recognised as gifts in kind on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services of facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Redundancy and termination payments are recognised immediately upon becoming a constructive obligation. Expenditure is categorised under the following headings:

- Costs of raising funds includes are those costs incurred in attracting donations, and those incurred in trading activities that raise funds; and
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office premises costs, finance, HR, IS/IT, legal and governance costs and management and administration costs. They are incurred directly and necessarily in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in note 8.

Intangible fixed assets

Intangible fixed assets are assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible fixed assets are recorded at historical cost and amortised on a straight-line basis over 4 years.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or net realisable value after depreciation. The cost of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight-line basis:

Plant and machinery	20%
Office equipment	20%

1. Accounting Policies (continued)

Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Creditors are recognised when the Charity has a present or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Foreign Currency

The consolidated financial statements are presented in UK pounds sterling (£'s), the functional currency of the charity. For project planning purposes, the charity uses a standard exchange rate for the year. All transactions denominated in foreign currencies are translated at the spot rate, the actual rate achieved at the time of the transaction.

All balance sheet balances are translated at the prevailing year-end rate. Any gains or losses resulting from exchange rates are recognised through the SoFA.

Funds and Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objective of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

- Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at transaction cost. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at transaction cost. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- 75% capitalisation of graphic design (or front-end development) of website, and subsequent amortisation.
- Intercompany recharge

2. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Projects, advocacy and guidance	3,064,491	3,201,761	6,266,252	3,506,446

3. Bank interest

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank interest	7	-	7	101

4. Other trading income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Trading	277,338	-	277,338	137,727

5. Expenditure on Charitable Activities

	Direct Costs £	Support Costs £	Total 2021 £	Total 2020 £
Projects, advocacy and guidance	4,209,795	747,934	4,957,729	3,104,622
Totals 2020	2,459,650	644,972	3,104,622	

6. Direct costs

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Consultancy costs	594,776	1,932,761	2,527,537	1,106,598
Other direct costs	4,838	13,937	18,775	42,280
Travel and subsistence	12,489	9,608	22,097	46,154
Staff costs	537,738	1,103,648	1,641,386	1,264,618
Total	1,149,841	3,059,954	4,209,795	2,459,650

7. Support costs

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Conference event costs	3,814	-	3,814	7,024
Establishment and general administration	440,323	164,270	604,593	511,043
Support staff costs	35,868	-	35,868	40,115
Governance costs	65,377	-	65,377	37,385
Depreciation	9,711	-	9,711	11,226
Amortisation	28,571	-	28,571	38,179
Total	583,664	164,270	747,934	644,972

8. Governance costs

	Total 2021 £	Total 2020 £
Accountancy fees	28,173	25,517
Legal and professional Auditor's remuneration	14,104	-
- audit	13,000	11,868
- other services	10,100	-
	65,377	37,385

9. Net income for the year

The net income is stated after charging:

	Total 2021 £	Total 2020 £
Depreciation of tangible fixed assets	9,711	11,226
Amortisation of intangible fixed assets	28,571	38,179
Net losses on foreign exchange	3,896	74,378
Operating lease payments	-	52,692

10. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	Total 2021	Total 2020
	£	£
Wages and salaries	1,339,377	1,208,028
Social security	161,010	129,191
Defined contribution pension costs	33,566	29,565
Redundancy payments	3,264	-
	<u>1,537,217</u>	<u>1,366,784</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Number of employees	
	2021	2020
£60,001 to £70,000	5	1
£70,001 to £80,000	-	2
£80,001 to £90,000	1	-

During the year, the charity paid £3,517 (2020: £4,378) under a defined contribution pension scheme on behalf of staff.

The average monthly number of employees during the year was as follows:

	Number of employees	
	2021	2020
Staff	<u>35</u>	<u>31</u>

11. Trustees' and key management personnel remuneration and expenses

No trustees received any remuneration or reimbursement of travel expenses from the charity during the year (2020 – none).

The trustees consider the board of trustees, the Chief Executive Officer and the Deputy Chief Executive Officer as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

The total amount of employee benefits received by key management personnel during the year was £186,756 (2020: £168,660).

12. Investments (Charity)

Cost	2021	2020
	£	£
Investment in Climate Bond Services Limited	100	100
Investment in Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd	50,000	-
	<u>50,100</u>	<u>100</u>

Climate Bonds Initiative has 100% control of Climate Bond Services Limited (Company registration number 11715956), a company registered by share capital and whose registered office is First Floor, Queen Street Place, London, EC4R 1BE. The subsidiary year-end is also 31 December 2021. The company was incorporated on 6 December 2018.

12. Investments (Charity) (continued)

The major activities of the company comprised the hosting of the Climate Bonds Initiative annual conference, for which commercial sponsorship was obtained. The income for Climate Bonds Services does not include individual attendee ticketed income, which is included in Climate Bonds Initiative. The summary financial performance of the subsidiary for the year ended 31 December 2021 is as follows.

	2021 £	2020 £
Turnover	277,250	137,727
Cost of sales	(27,157)	(18,024)
Administrative expenses	(239,543)	(115,847)
	<hr/>	<hr/>
Operating profit	10,550	3,856
Gift aid to parent	(10,550)	(3,856)
	<hr/>	<hr/>
Result for the period	-	-
	<hr/>	<hr/>
Current assets	188,198	100
Current liabilities	(188,098)	-
	<hr/>	<hr/>
Net assets	100	100
	<hr/>	<hr/>

Climate Bonds Initiative has 100% control of Climate Bonds Initiative (Europe) ASBL (Company registration number 0730.588.756), a company registered by share capital and whose registered office is Avenue Léon Jourez 34, 420 Braine l'Alleud, Belgium. The subsidiary year-end is also 31 December 2021. The company was incorporated on 6 December 2018. The company had no material activity in either year but is intended to become a hub for Climate Bonds Initiative's activities in mainland Europe, especially in a post-Brexit era. The summary financial performance of the subsidiary for the period ended 31 December 2021 is as follows.

	2021 £	2020 £
Current assets	27,677	27,677
Current liabilities	(27,677)	(27,677)
	<hr/>	<hr/>
Net assets	-	-
	<hr/>	<hr/>

During the year Climate Bonds Initiative established a subsidiary in China, Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd [Unified Social Credit Code: 91310115MA1K4MYU00]. Climate Bonds Initiative retains 100% control of the company, whose registered address is: No. 14, Lane 1502 Luoshan Road China (Shanghai) Free Trade Pilot Zone. The results for the year to 31 December 2021 were:

	2021 £	2020 £
Turnover	88	-
Administrative expenses	(12,536)	-
	<hr/>	<hr/>
Result for the year	(12,448)	-
Current assets	56,996	-
Current liabilities	(19,444)	-
	<hr/>	<hr/>
Net assets	37,552	-
Share capital	50,000	-
Retained earnings	(12,448)	-
	<hr/>	<hr/>
Reserves	37,552	-
	<hr/>	<hr/>

13. Intangible Fixed Assets (Group and Charity)

Cost	Website £	Total £
At beginning of year	152,717	152,717
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At end of year	152,717	152,717
	<hr/>	<hr/>
Amortisation		
At beginning of year	124,146	124,146
Charge for the year	28,571	28,571
Released on disposals	-	-
	<hr/>	<hr/>
At end of year	152,717	152,717
	<hr/>	<hr/>
Net Book Value		
At 31 December 2021	-	-
	<hr/>	<hr/>
At 31 December 2020	28,571	28,571
	<hr/>	<hr/>

14. Tangible Fixed Assets (Group and Charity)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	58,574	58,998
Additions	-	15,161	15,161
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	73,735	74,159
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	424	38,879	39,303
Charge for the year	-	9,711	9,711
Released on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	48,590	49,014
	<hr/>	<hr/>	<hr/>
Net Book Value			
At end of year	-	25,145	25,145
	<hr/>	<hr/>	<hr/>
At beginning of year	-	19,695	19,695
	<hr/>	<hr/>	<hr/>

15. Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	854,345	636,001	836,345	636,001
Other debtors	7,132	4,395	6,849	4,395
Prepayments and accrued income	406,254	123,280	406,255	123,280
Intercompany debtor	-	-	168,885	27,677
	<u>1,267,731</u>	<u>763,676</u>	<u>1,418,334</u>	<u>791,353</u>

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	242,912	154,299	224,142	154,299
Social security and other taxes	57,882	144,681	57,882	144,681
Other creditors	258,803	138,869	258,703	138,869
Accruals and deferred income*	2,241,460	1,254,036	2,235,013	1,254,036
Intercompany creditor	-	-	100	100
	<u>2,801,057</u>	<u>1,691,885</u>	<u>2,775,840</u>	<u>1,691,985</u>

***Deferred income:**

Brought forward at 1 January 2021	£ 1,136,550
Incoming resources deferred during the year	1,908,853
Amounts released from previous years	(1,136,550)
	<u>1,908,853</u>

Carried forward at 31 December 2021

1,908,853

17. Fund reconciliation (consolidated)

Current Year	Balance as at 1.1.21	Income	Expenditure	Transfers	Balance as at 31.12.21
	£	£	£	£	£
European Commission (EuroPace)	-	32,120	(32,121)	-	(1)
UNDP	-	108,526	(92,538)	-	15,988
G & B Moore Foundation	-	288,941	(287,908)	-	1,033
Oak Foundation	3,268	218,226	(218,021)	-	3,473
World Resources Institute (WRI)	-	93,149	(75,769)	-	17,380
BEIS China	3,905	-	-	-	3,905
BEIS Columbia	9,810	-	(350)	-	9,460
Agora Foundation	(310)	50,424	(49,929)	-	185
ECF EU Taxonomy 2020	27,692	13,343	(39,438)	-	1,597
ECF EU Taxonomy 2021	-	114,697	(90,567)	-	24,130
ECF Tara	28,907	89,958	(127,991)	-	(9,126)
FSD Africa	32	39,619	(37,161)	-	2,490
GCA Standards	89	9,340	(9,573)	-	(144)
GIZ ASEAN	6,349	192,907	(192,907)	-	6,349
Growald Foundation	49,690	-	(57,625)	-	(7,935)
IPSF GIZ	625	162,615	(137,205)	-	26,035
The Children's Investment Fund	-	779,966	(779,966)	-	-
The Foreign Commonwealth and Development Office	-	83,137	(83,136)	-	1
UK PACT – Columbia	-	374,827	(374,827)	-	-
UK PACT China	-	319,153	(319,173)	-	(20)
UK PACT – India	-	95,410	(95,410)	-	-
IPSF GIZ 2021/22	-	111,612	(111,612)	-	-
Laudes Foundation 2021-23	-	13,367	(13,537)	-	(170)
New Venture Fund	-	10,424	2,540	-	12,964
Total restricted funds	130,057	3,201,761	(3,224,224)	-	107,594
General Funds	173,883	3,341,836	(1,885,902)	-	1,629,817
Total unrestricted funds	173,883	3,341,836	(1,885,902)	-	1,629,817
Total funds	303,940	6,543,597	(5,110,126)	-	1,737,411

17. Fund reconciliation (consolidated) (continued)

Prior Year	Balance as at 1.1.20	Income	Expenditure costs	Transfers	Balance as at 31.12.20
	£	£	£	£	£
European Commission (EuroPace)	-	9,473	(14,406)	4,933	-
UNDP – CAP	-	20,445	(21,590)	1,145	-
G & B Moore Foundation	4,488	163,028	(171,454)	3,938	-
Oak Foundation	-	216,252	(212,984)	-	3,268
Rockefeller Foundation – Rev303	-	13,494	(18,970)	5,476	-
Rockefeller Foundation – INF311	-	-	(446)	446	-
World Resources Institute (WRI)	-	98,610	(107,875)	9,265	-
FCO India	-	6,858	(6,858)	-	-
BEIS China	3,657	94,084	(93,836)	-	3,905
BEIS Columbia	(875)	278,014	(267,329)	-	9,810
BEIS Mexico	(4,911)	76,941	(74,369)	2,339	-
ECF ASEAN	4,216	14,883	(21,241)	2,142	-
Agora Foundation	-	23,161	(23,471)	-	(310)
ECF EU Taxonomy	-	123,944	(96,252)	-	27,692
ECF Tara	-	120,317	(91,410)	-	28,907
FSD Africa	-	6,887	(6,855)	-	32
GCA Standards	-	49,202	(49,113)	-	89
GIZ ASEAN	-	9,578	(3,229)	-	6,349
Growald Foundation	-	77,286	(27,596)	-	49,690
IPSF GIZ	-	79,604	(78,979)	-	625
Total restricted funds	6,575	1,482,061	(1,388,263)	29,684	130,057
General Funds	(108,416)	2,162,213	(1,850,230)	(29,684)	173,883
Total unrestricted funds	(108,416)	2,162,213	(1,850,230)	(29,684)	173,883
Total funds	(101,841)	3,644,274	(3,238,493)	-	303,940

Purposes of Restricted Funds:**European Commission (EuroPace)**

European Commission under its Horizon 2020 Programme funded the project "EuroPace – Developing, piloting and standardising on-tax financing for residential energy efficiency retrofits in European cities and regions" from March 2018 to February 2021 in a total amount up to €175,775.

UNDP

Support for Climate Bonds Initiative to participate in Working Group "Developing Taxonomy for Indian Government.

G & B Moore Foundation

Driving the Development of Green Agri Bonds in Brazil and China.

Oak Foundation

Oak Foundation funded the project "Growing the Global Green Bonds Market" from September 2016 to December 2021.

World Resources Institute (WRI)

Support to WRI project entitled "Transformational Project Pipelines for NDC Implementation" Signed in 2019 and extended to Sept 2022.

BEIS:**China**

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Sustaining the Growth of China's Green Bond Market and Facilitating Inter-Country Green Capital Flows" (February 2019 – November 2020) with £300,000.

Colombia

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Scaling up Green Finance and establishing building blocks for scalable and low carbon investment in Colombia" (July 2019 – October 2020) with £485,699.54.

Mexico

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Building a foundation for a sustainable and scalable low carbon future in Mexico - from Green Bonds to a Greener Ecosystem " (July 2019 – September 2020) with £181,622.

Agora Foundation

SEFEP GmbH Agora Energiewende funded Climate Bonds Initiative with a grant for working in the context of "CRUX Policy Centre Power" with the objective of enabling the energy transition in South Africa by building capacity for green bonds (June 2020 - January 2021) with €70,000.. SEFEP (Smart Energy for Europe Platform) received the grant funding from the Aspen Global Change Institute (AGCI).

ECF EU Taxonomy 2020

The European Climate Foundation funded this project to step up engagement and capacity building activities with key stakeholders, such as Member States, around EU green taxonomy developments and future plans. Also, it continues Climate Bonds Initiative's technical engagement with EU on next iteration of taxonomy. (April 2020 - March 2021) with €155,619.

ECF EU Taxonomy 2021

EU Sustainable Finance Taxonomy - Ensuring alignment to 1.5 degree pathways and supporting the growth of a Taxonomy-aligned green bond markets in key Member States in Europe.

ECF Tara

EU Sustainable Finance Taxonomy - Ensuring alignment to 1.5 degree pathways and supporting the growth of a Taxonomy-aligned green bond markets in key Member States in Europe.

FSD Africa

The Financial Sector Deepening Africa (FSDA) has funded this project to Climate Bonds Initiative to act as the lead consultant in the Nigerian Green Bonds Programme. Climate Bonds Initiative has provided support for Green Bond Issuance, which involves issuance of guidelines and listing requirements for green bonds,

developing a pool of Nigeria-based Licenced verifiers, developing a pipeline of green investments, developing an international collaboration, and developing a debt capital market reform agenda to support green bonds under the Debt Capital Markets Development. (April 2018 - June 2021) with £110,320.

GCA Standards

The Global Centre on Adaptation funded this project with an overall goal to help advance common understanding of resilience investments and opportunities in the bond market, through bespoke research, guidance preparation, and stakeholder engagement (Sep. 2020 - March 2021) with €64,763.

GIZ ASEAN

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) funded this project to assess the "EU Sustainable Finance Action Plan to Finance a Green Corona Recovery" in the ASEAN Region (Dec 2020 - Aug 2021) with €447,147.

Growald Foundation

The Growald Foundation has funded this project to deliver: (i) Green infrastructure investment opportunities report and investor forum for GBA, (ii) Market education and trainings to relevant stakeholders in GBA* on green bonds, (iii) Guidelines on green transition finance for China with a focus on Guangdong/GBA (July 2020 - October 2021) with \$100,000.

(* GBA is the Greater Bay Area of China comprising Hong Kong and neighbouring Chinese cities)

IPSF GIZ

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) has funded this project to support the International Platform on Sustainable Finance (IPSF), an initiative of the EU's DG FISMA (June 2020 - April 2021) with €175,716.

The Children's Investment Fund

Accelerated industrial decarbonisation in Europe through dedicated transition financing to industrial companies

The Foreign Commonwealth and Development Office

UK PACT – Columbia

Greening the Colombian Financial System: Implementing local green definitions to enable long-term investment into priority sectors.

UK PACT – China

Accelerating high-quality growth in China's Green Bond market and supporting post-COVID Green Economic Recovery.

UK PACT – India

Strengthening climate risk assessment and enabling central bank supervision in the Indian financial sector: a partnership with frontrunning banks and DFIs.

IPSF GIZ 2021/22

IPSF Technical support Phase 2 (International Platform for Sustainable Finance).

Laudes Foundation 2021/23

EU Building Programme on Energy Efficiency

New Venture Fund

Preparation of Concept Note for Transition Proposal on Land use.

Rockefeller Foundation – Rev303

Rockefeller Foundation funded the standards project "Climate Bonds Standards and Definitions to Support Market Confidence" from August 2017 to May 2020 in a total amount up to \$400,000.

Rockefeller Foundation – INF311

Rockefeller Foundation funded the policy project "Green Aggregation and Securitization in Emerging Markets and Developing Countries" from November 2015 to June 2017 (extended to June 2019) in a total amount up to \$510,000.

FCO India

FCO (UK Foreign and Commonwealth Office) funded the project "Using Green Bonds to Raise International Capital for India's Transition to a Low-Carbon and Climate Resilient Economy Phase –(II)" from January 2018 to July 2018 in a total amount up to £57,717.

ECF ASEAN

The International Forum for Energy (IFE), an initiative of the European Climate Foundation (ECF), has funded this project to grow green infrastructure investment opportunities and the green bond market in ASEAN in order to facilitate capital flows into green infrastructure in ASEAN countries (April 2019 - April 2020) with \$150,000.00.

19. Analysis of net assets between funds

Current Year	Fixed Assets £	Current assets £	Creditors due within one year £	Total £
Restricted Funds	-	107,594	-	107,594
Unrestricted funds	25,145	4,405,729	(2,801,057)	1,629,817
Total funds	25,145	4,513,323	(2,801,057)	1,737,411
Prior Year	Fixed Assets £	Current assets £	Creditors due within one year £	Total £
Restricted Funds	-	130,057	-	130,057
Unrestricted funds	48,266	1,817,502	(1,691,885)	173,883
Total funds	48,266	1,947,559	(1,691,885)	303,840

20. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds for the year	1,433,471	405,781
Bank interest	(7)	(101)
Depreciation and amortisation *	38,282	49,405
(Increase) in debtors	(504,055)	(128,618)
Increase in creditors	1,109,172	491,093
Net cash provided by operating activities	2,076,863	817,560

21. Related Party Transactions

During the year, the daughter of the Chief Executive, Sean Kidney, was paid £90 (2020: £490) for services provided to the charity on an arm's length basis.

22. Prior year Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income from:			
Donations	-	-	-
Charitable activities	2,024,385	1,482,061	3,506,446
Bank interest	101	-	101
Other trading income	137,727	-	137,727
	<hr/>	<hr/>	<hr/>
Total Income	2,162,213	1,482,061	3,644,274
	<hr/>	<hr/>	<hr/>
Expenditure on:			
Charitable activities	1,716,359	1,388,263	3,104,622
Trading activities	133,871	-	133,871
	<hr/>	<hr/>	<hr/>
Total expenditure	1,850,230	1,388,263	3,238,493
	<hr/>	<hr/>	<hr/>
Net income	311,983	93,798	405,781
Transfers between funds	(29,684)	29,684	-
	<hr/>	<hr/>	<hr/>
Net Movement in Funds	282,299	123,482	405,781
Reconciliation of Funds:			
Total funds brought forward	(108,416)	6,575	(101,841)
	<hr/>	<hr/>	<hr/>
Total funds carried forward	173,883	130,057	303,940
	<hr/>	<hr/>	<hr/>

CLIMATE BONDS INITIATIVE

England & Wales - Charity number 1154413

Accounts

CLIMATE BONDS INITIATIVE

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

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Trustees	Mr Nicholas Silver (Chair) Mr Paul Bodnar (appointed 24 March 2020, resigned 25 April 2021) Mr Simon Cooper (appointed 24 March 2020) Ms Doris Honold (appointed 6 October 2020) Dr Karl Mallon Mr Bryan Martel Prof Cynthia Williams
CEO	Mr Sean Kidney
Company Number	07455730
Charity Number	1154413
Registered Office	72 Muswell Hill Place London N10 3RR
Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ
Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD

The Trustees are pleased to present the audited consolidated Financial Statements of Climate Bonds Initiative ('CBI', 'the Charity') together with the annual report for the year ended 31st December 2020. The Financial Statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102).

The Trustees confirm that the Annual Report and Financial Statements of CBI comply with the current statutory requirements, the requirements of CBI's governing document and the provisions of the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (applicable from 1st January 2019).

CBI qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and Activities

The **objectives** of the Charity are the preservation and conservation of the environment (in particular but not exclusively) by:

- serving as a catalyst to mobilise the investment required globally to address the threat of catastrophic climate change;
- working to align government policy, industry development and institutional finance toward the timely and affordable deployment of a global low carbon economy; and
- ensuring the environmental credibility of debt issuance and investment.

In summary, the Charity carries out the following general **activities** in direct support of the objectives:

1. **Advocacy** – to encourage and enthuse the global financial community, industries and governments to support a rapid transition to a low carbon and climate resilient economy.
2. **Capacity-building and training** – for the wide range of stakeholders including governments to actively participate and help drive the development of the green bonds market and other climate-related finance.
3. **Stakeholder engagement and events** – to create awareness and knowledge of opportunities in financing a rapid transition to a low carbon and climate resilient economy, including in the green bonds market and trends for future growth.

In more detail, the activities that the Charity carries out to support the accomplishment of these objectives are organised under the following seven work streams:

1. **Standards** – develops Paris-aligned, sector-specific, science-based criteria for the Climate Bonds Standard, which serves as a tool for investors to assess the credibility of green bonds globally. The team manages and coordinates a team of independent experts in the development of the criteria for key sectors, from the initial scientific analysis through to the finalisation of internationally accepted definitions of the Climate Bonds Standard.
2. **Certification** – manages the application of the certification label for green bonds that have been independently verified to be in compliance with the Climate Bonds Standard.
3. **Market Intelligence** – monitors and reports on outstanding bonds where proceeds are going to climate change solutions globally and provides commentary on the environmental relevance of underlying assets and projects linked to green bonds, with a view to shaping global markets towards climate solutions.
4. **Policy** – policy analysis and proposals for Governments, financial sector regulators and other public sector bodies that will foster the growth of climate-related finance, including the green bonds market.
5. **Partnerships** – engagement, education and support for investors, banks and others to promote capital flows to climate action, through access to green bond data and analysis and through collaborative activities.
6. **Market development** – government and financial sector regulator support and investor education around the world.
7. **Communications and Media** – external communications, media relations, brand and public profile.

Public Benefit Statement

The Charity has regard to the guidance on public benefit published by the Charity Commission.

Climate change is an enormous worldwide challenge that will affect nations, communities and societies. Addressing that challenge requires huge levels of financing immediately, as well as in the near to medium future. Climate and green bonds have the potential to make a major contribution to that financing. For the climate bonds market to grow, investments need to be underpinned by confidence in the green credentials of bonds. The Charity manages the Climate Bond Standard which plays a vital role in ensuring that confidence.

Details of activities in furtherance of public benefit are set out in this report.

Principal Risks and Uncertainties

The Trustees have assessed the major risks that the Charity faces in relation to its operations and finances and are satisfied that the Charity is taking the action necessary to mitigate its exposure to these risks. A risk assessment register is updated on a regular basis.

The main risks and uncertainties facing the Charity relate to:

- Financial stability: Ensuring that the Charity's sources of income continue in the future requires maintaining a range of income streams, maintaining good relationships with the Charity's financial supporters, continuing to provide guidance and encouragement that is respected and well-received by the international financial markets and governmental regulators.
- Ongoing challenges around solvency and liquidity issues: At the balance sheet date, the Charity had net assets of £303k, a significant improvement on prior years. The Trustees are seeking further positive developments in 2021 to further reduce this risk. For more details refer to the Going Concern accounting policy as set out in note 1 to the financial statements.
- Lack of engagement from potential bond issuers: if bond issuers do not recognise the value of issuing green bonds the Charity's overall objective to stimulate green growth is diminished.
- Lack of engagement from other financial market stakeholders such as investors, underwriting banks and domestic/ international development banks.
- Lack of participation by policymakers and regulators as a result of disinterest in engaging with the Charity's outputs and encouragements. This could put the Charity's leading international standing at risk.

Achievements and Performance

Review of activities in the year

Most of 2020 was marked by the COVID-19 pandemic. CBI quickly closed its London office and moved all activities online.

The main activities in the year included:

- Supporting the greening of post-COVID economic stimulus measures through governmental advocacy.
- Development of the "brown to green" Transition Programme, enabling the governance and science-based monitoring of debt instruments funding the Transition pathway to net zero.
- Helping to drive development of the European Union's programme for a Sustainable Finance Taxonomy and Green Bond Standards.
- Development of green finance markets with extensive activities in China, India and Latin America, and new programmes, for example, in South East Asia (ASEAN).
- Work by the Standards team with experts around the world to extend the number of sector-specific criteria for green investments.
- Expanding the number of debt instruments certified under the Climate Bonds Standard.
- Developing Climate Resilience Principles for use by governments, investors and the banking sector.
- Creation of SFIA (Sustainable Finance Institute Asia) to promote, support and enable green and sustainable finance initiatives by ASEAN governments (Association of Southeast Asian Nations).

- Influencing Central Bank and Regulator policy towards greening the global financial system.
- Popularising green finance milestones and frame future global investment objectives and goals.
- CBI's annual conference was held online, focussing on the financing of the "brown to green" Transition, to bring together key stakeholders from around the world, encourage constructive discussion, and inform and educate the market.

Amongst others, the Charity has carried out high level collaborations with:

- Directorate-General FISMA, the EU Commission department responsible for EU policy on banking and finance.
- Financial sector regulators and initiatives, for example the network for greening the financial system (NGSF) representing 60+ Central Banks around the world, and the ASEAN Capital Markets Forum (of regulators).
- The international Capital Markets Association (ICMA) Green Bond Principles.
- NGO's such as the Natural Resources Defense Council and the World Resources Institute.
- Government ministries and regulators, such as the Ministry of Environment in Japan (MOEJ), the Ministry of Infrastructure and Ministry of Agriculture in Brazil, People's Bank of China, Ministry of Finance Chile and the Hong Kong Monetary Authority.

The primary impact of the Charity has been in helping to promote and support the rapid growth that has occurred since 2015 in green bond markets around the world.

Key Performance Indicators (KPI's)

- The Charity is on course to deliver criteria for the Climate Bonds Standard across the key sectors identified as critical to achieving the targets set by the Paris Agreement.
- The level of green bonds certified under the Climate Bonds Standard continues to increase.
- Our Market Intelligence team maintains professional monitoring of and provides relevant, timely reports on the international bond markets to quantify the development and issuance of green bonds, and other labelled debt instruments.
- CBI maintains its high standards of preparation, publication and presentation of policy and technical analyses.
- CBI continues to expand the breadth and depth of its partnerships with investors, banks, data service providers and other key beneficiaries.
- CBI continues to increase its geographical reach.
- The Charity continues to lift CBI's global brand recognition, profile and share of voice on key issues.

Financial Review

For the year ended 31 December 2020, the Charity had income of £3.6m (2019: £3.6m) and incurred expenditure of £3.2m (2019: £3.6m).

CBI's success continues to be built upon the breadth and depth of relationships with investors, banks and others as well as extending the geographical reach of the organisation's work.

CBI's unrestricted surplus for the year 2020 was £282k (2019: £88k).

Net assets of the Charity at the year-end amounted to £304k (2019: Net liabilities of £102k).

Restricted income recognised in the year has been spent with a £130k (2019: £7k) carry forward balance.

The Trustees note that the numbers are improving, with a clear trend in the right direction. Definitive plans are in place to further to improve the financial health of the Charity in the coming years.

Reserves policy

The Board has agreed that the Charity, in addition to any restricted reserves and commitments to, and investment in, tangible fixed assets, should aim to have unrestricted free reserves of at least three months of current total unrestricted expenditure so that the Charity's activities could continue in the event of any significant short-term funding shortfalls.

Unrestricted reserves at the year-end showed a surplus of £173k (2019: deficit £108k). On the foregoing basis, this represents a shortfall in expected minimum net free reserves of approximately £400k (2019: shortfall £664k).

As a result of continuing specific actions to address the shortfall in net free reserves during the year, the Board is hopeful that the trajectory towards full compliance with the reserves policy is well underway.

Future Plans

The Charity plans to continue the growth of its activities significantly in the coming years: the global consequences are too great not to do so.

Having driven global understanding and definition of “green” in the financial and regulatory markets, through the implementation of a clear taxonomy and science-based sector criteria, as well as expanding this work, CBI will now focus on enforcing the pathway from “brown” to “green”, by defining and policing ambitious net zero trajectories.

The Charity’s three-year strategy is as follows:

Mission	Mobilise global capital for climate action		
Strategic Objectives	<ol style="list-style-type: none"> 1. Enable governments to act on their climate commitments 2. Focus investment on substantive and credible climate solutions 3. Support creation of new markets for climate-aligned investment 		
Priorities	<p>Higher priority <i>Allocate additional resources</i></p> <hr style="border-top: 1px dashed #ccc;"/> <p>Themes:</p> <ul style="list-style-type: none"> • Brown-to-Green transition • Climate resilience <p>Activities:</p> <ul style="list-style-type: none"> • CBI standard development • Standard implementation • Market intelligence <p>Customers</p> <ul style="list-style-type: none"> • Public sector • Large investors <p>Regions</p> <ul style="list-style-type: none"> • EU, China, India 	<p>Medium priority <i>Flex resources depending on financial sustainability</i></p> <hr style="border-top: 1px dashed #ccc;"/> <p>Activities:</p> <ul style="list-style-type: none"> • Certification • Training • Policy and marketing reports • Flagship issuance support • Conferences (speaking) <p>Customers</p> <ul style="list-style-type: none"> • Development banks • Banks • Issuers <p>Regions</p> <ul style="list-style-type: none"> • ASEAN, Latin America (keep current level of activity) • US (engagement with donors & investors only) 	<p>Lower priority <i>Rationalise unless financially beneficial</i></p> <hr style="border-top: 1px dashed #ccc;"/> <p>Themes:</p> <ul style="list-style-type: none"> • Pure “Green”, i.e. not Brown-to-Green <p>Activities:</p> <ul style="list-style-type: none"> • Conference hosting (scale back unless substantially ‘profitable’) <p>Regions</p> <ul style="list-style-type: none"> • Africa (maintain low presence)

Post Balance Sheet events

CBI continues to attract significant levels of funding for its work. Most notably, in April 2021, the Charity secured a grant of £3 million over three years from the Children’s Investment Fund Foundation (CIFF) as a keystone funder of its Transition programme. Across the pipeline more generally, there is an encouraging and widespread level of support for our work, and we expect the financial year 2021 to demonstrate substantial growth of both revenue and impact.

Structure, Governance and Management

Climate Bonds Initiative is a company limited by guarantee and a registered charity. The Charity's memorandum and articles of association are its primary governing documents. The Trustees of CBI are also the directors of the charitable company for the purposes of company law. CBI has a wholly owned subsidiary, Climate Bonds Services Limited, which is included in the consolidated financial statements.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 2.

Trustees

Trustees are elected by recommendation from existing charity trustees and by confirmation by the Chair of the Board. An appropriate vetting process is overseen by the Chair.

CBI appoints and recruits new trustees through its wide network of supporters, bearing in mind skills required. The overall performance of the charity is the responsibility of the Board, but day-to-day decision-making is delegated to the Senior Management Team (SMT). Key strategic direction and major issues of policies and procedures are set by the board for implementation by the SMT. The induction and training of trustees is handled through a series of individual meetings with key personnel, and core documentation is provided for review.

The Board sets the pay of the CEO and DCEO and provides guidance for setting pay and remuneration for other senior staff.

Key management personnel

The key management personnel of the group consist of the Trustees, the Chief Executive Officer and Deputy-Chief Executive Officer:

- Chief Executive Officer: Sean Kidney
- Deputy Chief Executive: Justine Leigh-Bell

In addition, the following served on the Senior Management Team:

- Chief Operating Officer: Anne Murrell (March 2020 – May 2021)
- Director of Client Services: Claire Berson (from September 2020)
- Director of Finance: Tammy Ariaratnam (January 2020 – October 2020)
- Director of Finance: Tim Morris (from October 2020)
- Director of Programmes: Karthik Iyer (from February 2021)

Related parties

See note 21.

Trustees' Responsibilities in Relation to the Financial Statements

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

Company law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS102);
- 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;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to the Auditors

We, the Directors of the charitable company who held office at the date of approval of these Financial Statements as set out above, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditor

PKF Littlejohn LLP was appointed as auditor during 2020 and have indicated their willingness to continue in office.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

Approval

This report was approved by the Board on 27 May 2021 and signed on its behalf.



Nicholas Silver, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CLIMATE BONDS INITIATIVE**Opinion**

We have audited the financial statements of Climate Bonds Initiative (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 the light of the knowledge and understanding of the group and parent 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' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company 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 group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sectors in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, employee and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to:
 - enquiries of management
 - review of minutes
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that provisions for doubtful debts and other liabilities as well as accruals and deferrals could be subject to management bias. We have reviewed the calculations for provisions and the assumptions involved. We also reviewed the application of cut-off through accrued and deferred income. No issues were identified.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. No issues were identified in our review.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

Date 17 June 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Donations	2	-	-	-	14,685
Charitable activities	3	2,024,385	1,482,061	3,506,446	3,324,215
Bank interest	4	101	-	101	30
Other trading income	5	137,727	-	137,727	297,500
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Income		2,162,213	1,482,061	3,644,274	3,636,430
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditure on:					
Charitable activities	6	1,716,359	1,388,263	3,104,622	3,282,072
Trading activities	5	133,871	-	133,871	287,056
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditure		1,850,230	1,388,263	3,238,493	3,569,128
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income	10	311,983	93,798	405,781	67,302
Transfers between funds		(29,684)	29,684	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Movement in Funds		282,299	123,482	405,781	67,302
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reconciliation of Funds:					
Total funds brought forward		(108,416)	6,575	(101,841)	(169,143)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds carried forward		173,883	130,057	303,940	(101,841)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on page 16 to 30 form part of these Financial Statements.

	Notes	Consolidated		Charity	
		2020 £	2019 £	2020 £	2019 £
Fixed Assets					
Investments	13	-	-	100	100
Intangible assets	14	28,571	66,750	28,571	66,750
Tangible assets	15	19,695	30,875	19,695	30,875
		<u>48,266</u>	<u>97,625</u>	<u>48,366</u>	<u>97,725</u>
Current Assets					
Debtors	16	763,676	635,058	791,353	577,547
Cash		1,183,883	366,268	1,156,206	366,268
		<u>1,947,559</u>	<u>1,001,326</u>	<u>1,947,559</u>	<u>943,815</u>
Creditors: amounts falling due within one year	17	(1,691,885)	(1,200,792)	(1,691,985)	(1,143,381)
		<u>255,674</u>	<u>(199,466)</u>	<u>255,574</u>	<u>(199,566)</u>
Net Current Assets/(Liabilities)					
		<u>303,940</u>	<u>(101,841)</u>	<u>303,940</u>	<u>(101,841)</u>
Charity Funds	18				
Unrestricted funds		173,883	(108,416)	173,883	(108,416)
Restricted funds		130,057	6,575	130,057	6,575
		<u>303,940</u>	<u>(101,841)</u>	<u>303,940</u>	<u>(101,841)</u>
Total Funds		<u>303,940</u>	<u>(101,841)</u>	<u>303,940</u>	<u>(101,841)</u>

The Charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006. The unconsolidated surplus for the year ended 31 December 2020 is £405,781 (2019: £67,302).

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved and authorised for issue by the Board of Trustees on 27 May 2021 and were signed on its behalf by:



Nicholas Silver

Trustee

The notes on pages 16 to 30 form part of these Financial Statements.

	Notes	2020 £	2019 £
Net cash flow provided by operating activities	20	817,560	(63,739)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(46)	(23,911)
Bank interest		101	30
Net cash flow used in investing activities		55	(23,881)
Change in cash and cash equivalents in the year		817,615	(87,620)
Cash and cash equivalents at 1 January		366,268	453,888
Cash and cash equivalents at 31 December		1,183,883	366,268

The notes on pages 16 to 30 form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

General Information

Climate Bonds Initiative (CBI) is a company limited by guarantee and is registered with the Charity Commission (charity number 1154413) and the Registrar of Companies (company number 07455730) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited £1 per member of the Charity. The address of the registered office is shown under Charity Reference and Administrative Details.

Basis of Preparation of Accounts

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements consolidate Climate Bonds Initiative and its wholly owned subsidiary, Climate Bonds Services Limited. A subsidiary company, CBI Europe, registered in Belgium is also consolidated, though immaterial this year.

The financial statements are prepared in sterling which is the functional currency of the charity.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees consider that no material uncertainties exist concerning the charity's ability to operate for the foreseeable future.

The trustees have considered the charity's ability to meet its liabilities as they arise over the foreseeable future to June 2022, being 12 months from the date of approval of these financial statements. Accordingly, financial forecasts and cash flow projections have been prepared for this period.

The trustees recognise that in a period of growth there are some uncertainties that exist in the assumptions underlying these forecasts, principally concerning income generation and have identified actions to be taken as appropriate risk mitigation should these assumptions and forecasts not be adequately achieved.

Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

The Charity received government and other grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Verification fees, certification fees, reports income and events income are recognised in full when the charity is entitled to the income.

1. Accounting Policies (continued)

Annual partner subscriptions are recognised 50% immediately and the balance over a 12-month period to which they relate from the month of receipt, with the balance at the year-end included as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

On receipt, donated professional services and donated facilities are recognised as gifts in kind on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services of facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Redundancy and termination payments are recognised immediately upon becoming a constructive obligation. Expenditure is categorised under the following headings:

- Costs of raising funds includes are those costs incurred in attracting donations, and those incurred in trading activities that raise funds; and
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office premises costs, finance, HR, IS/IT, legal and governance costs and management and administration costs. They are incurred directly and necessarily in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in note 8.

Intangible fixed assets

Intangible fixed assets are assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible fixed assets are recorded at historical cost and amortised on a straight-line basis over 4 years.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or net realisable value after depreciation. The cost of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight-line basis:

Plant and machinery	20%
Office equipment	20%

1. Accounting Policies (continued)

Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Creditors are recognised when the Charity has a present or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Foreign Currency

The consolidated financial statements are presented in UK pounds sterling (£'s), the functional currency of the charity. For project planning purposes, the charity uses a standard exchange rate for the year. All transactions denominated in foreign currencies are translated at the spot rate, the actual rate achieved at the time of the transaction.

All balance sheet balances are translated at the prevailing year-end rate. Any gains or losses resulting from exchange rates are recognised through the SoFA.

Funds and Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objective of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

- Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at transaction cost. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at transaction cost. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- 75% capitalisation of graphic design (or front-end development) of website, and subsequent amortisation.
- Intercompany recharge

2. Income from donations

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Donations	-	-	-	14,685

3. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Projects, advocacy and guidance	2,024,385	1,482,061	3,506,446	3,324,215

4. Bank interest

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Bank interest	101	-	101	30

5. Other trading income

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Trading	137,727	-	137,727	297,500

Climate Bonds Initiative has 100% control of **Climate Bond Services Limited** (Company registration number 11715956), a company registered by share capital and whose registered office is 40 Bermondsey Street, London, SE1 3UD. The subsidiary year-end is also 31 December 2020. The company was incorporated on 6 December 2018.

The major activities of the company comprised the hosting of the CBI annual conference, this year held virtually, for which commercial sponsorship was obtained. The income for CBS does not include individual attendee ticketed income, which is included in CBI. The summary financial performance of the subsidiary for the year ended 31 December 2020 is as follows.

	2020	Period 6 December 2018 to 31 December 2019
	£	£
Turnover	137,727	297,500
Cost of sales	(18,024)	(22,498)
Administrative expenses	(115,847)	(264,558)
Operating profit	3,856	10,444
Gift aid to parent	(3,856)	(10,444)
Result for the period	-	-
Current assets	100	57,511
Current liabilities	-	(57,411)
Net assets	100	100

Climate Bonds Initiative has 100% control of **Climate Bond Initiative (Europe)** ASBL (Company registration number 0730.588.756), a company registered by share capital and whose registered office is Avenue Léon Jourez 34, 420 Braine l'Alleud, Belgium. The subsidiary year-end is also 31 December 2020. The company was incorporated on 6 December 2018.

The company had no material activity in 2020 but is intended to become a hub for CBI's activities in mainland Europe, especially in a post-Brexit era. The summary financial performance of the subsidiary for the period ended 31 December 2020 is as follows.

	2020 £
Current assets	27,677
Current liabilities	(27,677)
	<hr/>
Net assets	-
	<hr/>

At balance sheet date, Climate Bond Initiative was in the process of establishing a subsidiary **China**, Climate Bonds Initiative Low Carbon World (Shanghai) Business Consulting Co., Ltd [Unified Social Credit Code: 91310115MA1K4MYU00]. CBI will retain 100% control of the company, whose registered address is: No. 14, Lane 1502 Luoshan Road China (Shanghai) Free Trade Pilot Zone. The subsidiary year-end is also 31 December. There was no activity in 2020.

6. Expenditure on Charitable Activities

	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
Projects, advocacy and guidance	2,459,650	644,972	3,104,622	3,282,072
	<hr/>	<hr/>	<hr/>	<hr/>
Totals 2019	2,187,784	1,094,288	3,282,072	
	<hr/>	<hr/>	<hr/>	

7. Direct costs

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Consultancy costs	376,621	729,977	1,106,598	961,483
Other direct costs	14,735	27,545	42,280	16,048
Travel and subsistence	24,379	21,775	46,154	279,674
Staff costs	834,280	430,338	1,264,618	930,579
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,250,015	1,209,635	2,459,650	2,187,784
	<hr/>	<hr/>	<hr/>	<hr/>

8. Support costs

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Conference event costs	4,616	2,408	7,024	107,683
Establishment and general administration	336,908	174,135	511,043	416,969
Support staff costs	38,655	1,460	40,115	465,288
Governance costs	37,385	-	37,385	54,878
Depreciation	11,226	-	11,226	11,290
Amortisation	38,179	-	38,179	38,180
	<hr/>	<hr/>	<hr/>	<hr/>
Total	466,969	178,003	644,972	1,094,288
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9. Governance costs

	Total 2020 £	Total 2019 £
Accountancy fees	25,517	43,178
Auditor's remuneration – audit fees	11,868	11,700
	<hr/>	<hr/>
	37,385	54,878
	<hr/> <hr/>	<hr/> <hr/>

10. Net income for the year

The net income is stated after charging:

	Total 2020 £	Total 2019 £
Depreciation of tangible fixed assets	11,226	11,290
Amortisation of intangible fixed assets	38,179	38,180
Net losses on foreign exchange	74,378	40,268
Operating lease payments	52,692	168,336
	<hr/> <hr/>	<hr/> <hr/>

11. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	Total 2020 £	Total 2019 £
Wages and salaries	1,208,028	1,235,164
Social security	129,191	132,607
Defined contribution pension costs	29,565	28,095
	<hr/>	<hr/>
	1,366,784	1,395,866
	<hr/>	<hr/>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Number of employees	
	2020	2019
£60,001 to £70,000	1	3
£70,001 to £80,000	2	1

During the year, the charity paid £4,378 (2019: £3,035) under a defined contribution pension scheme on behalf of staff.

The average monthly number of employees during the year was as follows:

	Number of employees	
	2020	2019
Staff	31	34
	<hr/>	<hr/>

12. Trustees' and key management personnel remuneration and expenses

No trustees received any remuneration or reimbursement of travel expenses from the charity during the year (2019 – none).

The trustees consider the board of trustees, the Chief Executive Officer and the Deputy Chief Executive Officer as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

The total amount of employee benefits received by key management personnel during the year was £168,660 (2019: £169,850).

13. Investments (Charity)

Cost	2020 £	2019 £
Investment in subsidiary	100	100
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

14. Intangible Fixed Assets (Group and Charity)

Cost	Website £	Total £
At beginning of year	152,717	152,717
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At end of year	152,717	152,717
	<hr/>	<hr/>
Amortisation		
At beginning of year	85,967	85,967
Charge for the year	38,179	38,179
Released on disposals	-	-
	<hr/>	<hr/>
At end of year	124,146	124,146
	<hr/>	<hr/>
Net Book Value		
At 31 December 2020	28,571	28,571
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2019	66,750	66,750
	<hr/> <hr/>	<hr/> <hr/>

15. Tangible Fixed Assets (Group and Charity)

Cost	Plant & machinery £	Office & IT equipment £	Total £
At beginning of year	424	58,528	58,952
Additions	-	46	46
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	58,574	58,998
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	424	27,653	28,077
Charge for the year	-	11,226	11,226
Released on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	424	38,879	39,303
	<hr/>	<hr/>	<hr/>
Net Book Value			
At end of year	-	19,695	19,695
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At beginning of year	-	30,875	30,875
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16. Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	636,001	285,469	636,001	224,058
Other debtors	4,395	115,867	4,395	62,356
Prepayments and accrued income	123,280	233,722	123,280	233,722
Intercompany debtor	-	-	27,677	57,411
	<hr/>	<hr/>	<hr/>	<hr/>
	763,676	635,058	791,353	577,547
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	154,299	209,058	154,299	209,058
Social security and other taxes	144,681	53,144	144,681	53,144
Other creditors	138,869	114,686	138,869	57,175
Accruals and deferred income*	1,254,036	823,904	1,254,036	823,904
Intercompany creditor	-	-	100	100
	<hr/>	<hr/>	<hr/>	<hr/>
	1,691,885	1,200,792	1,691,985	1,143,381
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

***Deferred income:**

Brought forward at 1 January 2020	£	684,442
Incoming resources deferred during the year		1,136,550
Amounts released from previous years		(684,442)
		<hr/>

Carried forward at 31 December 2020		1,136,550
		<hr/> <hr/>

18. Fund reconciliation (consolidated)

Current Year	Balance as at 1.1.20	Income	Expenditure costs	Transfers	Balance as at 31.12.20
	£	£	£	£	£
European Commission (EuroPace)	-	9,473	(14,406)	4,933	-
UNDP – CAP	-	20,445	(21,590)	1,145	-
G & B Moore Foundation	4,488	163,028	(171,454)	3,938	-
Oak Foundation	-	216,252	(212,984)	-	3,268
Rockefeller Foundation – Rev303	-	13,494	(18,970)	5,476	-
Rockefeller Foundation – INF311	-	-	(446)	446	-
World Resources Institute (WRI)	-	98,610	(107,875)	9,265	-
FCO India	-	6,858	(6,858)	-	-
BEIS China	3,657	94,084	(93,836)	-	3,905
BEIS Columbia	(875)	278,014	(267,329)	-	9,810
BEIS Mexico	(4,911)	76,941	(74,369)	2,339	-
ECF ASEAN	4,216	14,883	(21,241)	2,142	-
Agora Foundation	-	23,161	(23,471)	-	(310)
ECF EU Taxonomy	-	123,944	(96,252)	-	27,692
ECF Tara	-	120,317	(91,410)	-	28,907
FSD Africa	-	6,887	(6,855)	-	32
GCA Standards	-	49,202	(49,113)	-	89
GIZ ASEAN	-	9,578	(3,229)	-	6,349
Growald Foundation	-	77,286	(27,596)	-	49,690
IPSF GIZ	-	79,604	(78,979)	-	625
Total restricted funds	6,575	1,482,061	(1,388,263)	29,684	130,057
General Funds	(108,416)	2,162,213	(1,850,230)	(29,684)	173,883
Total unrestricted funds	(108,416)	2,162,213	(1,850,230)	(29,684)	173,883
Total funds	(101,841)	3,644,274	(3,238,493)	-	303,940

Prior Year	Balance as at 1.1.19 £	Income £	Expenditure costs £	Transfers £	Balance as at 31.12.19 £
European Commission (EuroPace)	-	58,617	(59,567)	950	-
UNDP – CAP	-	4,884	(5,761)	877	-
G & B Moore Foundation	-	327,630	(323,142)	-	4,488
Oak Foundation	-	147,981	(148,163)	182	-
Rockefeller Foundation – Rev303	-	86,382	(86,870)	488	-
Rockefeller Foundation – INF311	-	674	(674)	-	-
Hewlett Foundation	-	9,841	(10,131)	290	-
World Resources Institute (WRI)	-	46,833	(54,278)	7,445	-
FCO India	-	-	(83)	83	-
BEIS China	-	172,388	(168,731)	-	3,657
BEIS Columbia	-	207,685	(208,560)	-	(875)
BEIS Mexico	-	92,853	(97,764)	-	(4,911)
ECF ASEAN	-	218,542	(214,326)	-	4,216
Total restricted funds	-	1,374,310	(1,378,050)	10,315	6,575
General Funds	(169,143)	2,262,120	(2,191,078)	(10,315)	(108,416)
Total unrestricted funds	(169,143)	2,262,120	(2,191,078)	(10,315)	(108,416)
Total funds	(169,143)	3,636,430	(3,569,128)	-	(101,841)

Purposes of Restricted Funds:**European Commission (EuroPace)**

European Commission under its Horizon 2020 Programme funded the project “EuroPace – Developing, piloting and standardising on-tax financing for residential energy efficiency retrofits in European cities and regions” from March 2018 to February 2021 in a total amount up to €175,775.

UNDP – CAP

UNDP funded the project “Climate Aggregation Platform for Developing Countries (CAP)” from June 2017 to June 2020 in a total amount up to \$881,000.

G & B Moore Foundation

G & B Moore Foundation funded the project “Driving the Development of Green Agri Bonds in Brazil” from December 2017 to December 2020 in a total amount up to \$1,100,516.

Oak Foundation

Oak Foundation funded the project “Growing the Global Green Bonds Market” from September 2016 to July 2019 in a total amount up to £502,178.

Rockefeller Foundation – Rev303

Rockefeller Foundation funded the standards project “Climate Bonds Standards and Definitions to Support Market Confidence” from August 2017 to May 2020 in a total amount up to \$400,000.

Rockefeller Foundation – INF311

Rockefeller Foundation funded the policy project “Green Aggregation and Securitization in Emerging Markets and Developing Countries” from November 2015 to June 2017 (extended to June 2019) in a total amount up to \$510,000.

World Resources Institute (WRI)

WRI funded the project “Growing the resilience of bonds market supporting climate resilience actions in developing countries” from July 2018 to October 2018 in a total amount up to \$5,672.

FCO India

FCO (UK Foreign and Commonwealth Office) funded the project "Using Green Bonds to Raise International Capital for India's Transition to a Low-Carbon and Climate Resilient Economy Phase –(II)" from January 2018 to July 2018 in a total amount up to £57,717.

BEIS China

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Sustaining the Growth of China's Green Bond Market and Facilitating Inter-Country Green Capital Flows" (February 2019 – November 2020) with £300,000.

BEIS Colombia

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Scaling up Green Finance and establishing building blocks for scalable and low carbon investment in Colombia" (July 2019 – October 2020) with £485,699.54.

BEIS Mexico

The Secretary of State for Business, Energy and Industrial Strategy has funded the project entitled "Building a foundation for a sustainable and scalable low carbon future in Mexico - from Green Bonds to a Greener Ecosystem" (July 2019 – September 2020) with £181,622.

ECF ASEAN

The International Forum for Energy (IFE), an initiative of the European Climate Foundation (ECF), has funded this project to grow green infrastructure investment opportunities and the green bond market in ASEAN in order to facilitate capital flows into green infrastructure in ASEAN countries (April 2019 - April 2020) with \$150,000.00.

Agora Foundation

SEFEP GmbH Agora Energiewende funded CBI with a grant for working in the context of "CRUX Policy Centre Power" with the objective of enabling the energy transition in South Africa by building capacity for green bonds (June 2020 - January 2021) with €70,000.. SEFEP (Smart Energy for Europe Platform) received the grant funding from the Aspen Global Change Institute (AGCI).

ECF EU Taxonomy

The European Climate Foundation funded this project to step up engagement and capacity building activities with key stakeholders, such as Member States, around EU green taxonomy developments and future plans. Also, it continues CBI's technical engagement with EU on next iteration of taxonomy. (April 2020 - March 2021) with €155,619.

ECF Tara

The European Climate Foundation has funded this project to build capacity for Central Banks in the ASEAN that will enable a "green" POST Covid---19 response. (July 2020 - October 2021) with \$299,937

FSD Africa

The Financial Sector Deepening Africa (FSDA) has funded this project to CBI to act as the lead consultant in the Nigerian Green Bonds Programme. CBI has provided support for Green Bond Issuance, which involves issuance of guidelines and listing requirements for green bonds, developing a pool of Nigeria-based Licenced verifiers, developing a pipeline of green investments, developing an international collaboration, and developing a debt capital market reform agenda to support green bonds under the Debt Capital Markets Development. (April 2018 - June 2021) with £110,320.

GCA Standards

The Global Centre on Adaptation funded this project with an overall goal to help advance common understanding of resilience investments and opportunities in the bond market, through bespoke research, guidance preparation, and stakeholder engagement (Sep. 2020 - March 2021) with €64,763.

GIZ ASEAN

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) funded this project to assess the "EU Sustainable Finance Action Plan to Finance a Green Corona Recovery" in the ASEAN Region (Dec 2020 - Aug 2021) with €447,147.

Growald Foundation

The Growald Foundation has funded this project to deliver: (i) Green infrastructure investment opportunities report and investor forum for GBA, (ii) Market education and trainings to relevant stakeholders in GBA* on green bonds, (iii) Guidelines on green transition finance for China with a focus on Guangdong/GBA (July 2020 - October 2021) with \$100,000.

(* GBA is the Greater Bay Area of China comprising Hong Kong and neighbouring Chinese cities)

IPSF GIZ

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) has funded this project to support the International Platform on Sustainable Finance (IPSF), an initiative of the EU's DG FISMA (June 2020 - April 2021) with €175,716.

19. Analysis of net assets between funds

Current Year	Fixed Assets £	Current assets £	Creditors due within one year £	Total £
Restricted Funds	-	130,057	-	130,057
Unrestricted funds	48,266	1,817,502	(1,691,885)	173,883
	<u>48,266</u>	<u>1,817,502</u>	<u>(1,691,885)</u>	<u>173,883</u>
Total funds	<u>48,266</u>	<u>1,947,559</u>	<u>(1,691,885)</u>	<u>303,840</u>
Prior Year	Fixed Assets £	Current assets £	Creditors due within one year £	Total £
Restricted Funds	-	6,575	-	6,575
Unrestricted funds	97,625	994,751	(1,200,792)	(108,416)
	<u>97,625</u>	<u>994,751</u>	<u>(1,200,792)</u>	<u>(108,416)</u>
Total funds	<u>97,625</u>	<u>1,001,326</u>	<u>(1,200,792)</u>	<u>(101,841)</u>

20. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds for the year	405,781	67,302
Bank interest	(101)	(30)
Depreciation and amortisation	49,405	49,470
(Increase) in debtors	(128,618)	(275,734)
Increase in creditors	491,093	95,523
	<u> </u>	<u> </u>
Net cash provided by operating activities	817,560	(63,739)
	<u> </u>	<u> </u>

21. Related Party Transactions

During the year, the daughter of the Chief Executive, Sean Kidney, was paid £490 (2019: £947) for services provided to the charity on an arm's length basis.

22. Prior year Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Income from:				
Donations		14,685	-	14,685
Charitable activities		1,949,905	1,374,310	3,324,215
Investment income		30	-	30
Other trading income		297,500	-	297,500
		<hr/>	<hr/>	<hr/>
Total Income		2,262,120	1,374,310	3,636,430
		<hr/>	<hr/>	<hr/>
Expenditure on:				
Charitable activities		1,904,022	1,378,050	3,282,072
Trading activities		287,056	-	287,056
		<hr/>	<hr/>	<hr/>
Total expenditure		2,191,078	1,378,050	3,569,128
		<hr/>	<hr/>	<hr/>
Net (expenditure) / Net movement in funds		71,042	(3,740)	67,302
Transfer between funds		(10,315)	10,315	-
		<hr/>	<hr/>	<hr/>
Net movement between funds		60,727	6,575	67,302
		<hr/>	<hr/>	<hr/>
Reconciliation of Funds:				
Total funds brought forward		(169,143)	-	(169,143)
		<hr/>	<hr/>	<hr/>
Total funds carried forward		(108,416)	6,575	(101,841)
		<hr/>	<hr/>	<hr/>

23. Operating lease commitments

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

	2020 £	2019 £
Within one year	-	42,276
	<hr/>	<hr/>
	-	42,276
	<hr/>	<hr/>