

QUADRATURE CLIMATE FOUNDATION

England & Wales - Charity number 1187301

Details

Other names QCF, QUADRATURE CAPITAL FOUNDATION

Status Registered

Legal form Charitable company

Company number [12194319](#)

Registered 2020-01-10

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

Contact

Address Quadrature Climate Foundation
10 Queen Street Place
London
United Kingdom
EC4R 1AG

Email contact@qc.foundation

Website qc.foundation

Activities

Objects: THE CHARITY IS ESTABLISHED FOR THE PUBLIC BENEFIT:(1) TO PROMOTE SUSTAINABLE DEVELOPMENT BY: A. THE PROTECTION, PRESERVATION AND IMPROVEMENT OF THE ENVIRONMENT AND THE PRUDENT USE OF RESOURCES; ANDB. THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC GROWTH AND REGENERATION;(2) TO ADVANCE THE EDUCATION OF THE PUBLIC IN SUBJECTS RELATING TO SUSTAINABLE DEVELOPMENT AND THE PROTECTION, ENHANCEMENT AND REHABILITATION OF THE ENVIRONMENT AND TO PROMOTE STUDY AND RESEARCH IN SUCH SUBJECTS PROVIDED THAT THE USEFUL RESULTS OF SUCH STUDY ARE DISSEMINATED TO THE PUBLIC AT LARGE; AND(3) SUCH OTHER PURPOSES BEING EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION THINK FIT.SUSTAINABLE DEVELOPMENT MEANS DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS.

Activities: QCF is an independent foundation focused on the urgent challenge of climate change, funding innovative, science-led solutions that reduce carbon emissions, remove greenhouse gases from the atmosphere and help the world's most vulnerable people respond to the impacts of climate change, all in pursuit of a climate-resilient future.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Australia
- Belgium
- Brazil
- Canada
- Finland
- France
- Netherlands
- Norway
- Peru
- Poland
- Singapore
- South Africa
- Sweden
- Switzerland
- United States
- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|--------------|--------------|-------------|-----------|
| 2024-12-31 | £221,729,288 | £216,076,628 | £26,947,018 | 27 |
| 2023-12-31 | £269,860,805 | £256,380,720 | £21,294,358 | 15 |
| 2022-06-30 | £130,258,181 | £130,327,693 | £7,814,273 | 12 |
| 2021-06-30 | £60,263,812 | £58,872,788 | £7,883,785 | 8 |
| 2020-06-30 | £30,818,964 | £24,326,203 | £6,492,761 | 3 |

Trustees

| Name | Role | Appointed |
|---------------------|------|------------|
| Greg Howard Skinner | | 2019-09-06 |
| JENNIFER HOOKE | | 2024-04-02 |
| Neil Cosgrove | | 2019-09-06 |
| Suneil Setiya | | 2019-09-06 |

QUADRATURE CLIMATE FOUNDATION

England & Wales - Charity number 1187301

Accounts

QUADRATURE CLIMATE FOUNDATION
(a charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

Company Number 12194319
Charity Number 1187301

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present the annual report and the audited financial statements of Quadrature Climate Foundation (the "Foundation" or the "Company") for the period ended 31 December 2024. The trustees confirm that the annual report and financial statements of the Foundation comply with current statutory requirements, the governance requirements of the Foundation and the provisions of the 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 (FRS102) (effective 1 January 2019) ("SORP").

The financial statements have been prepared for the 12-month period from 1 January 2024 to 31 December 2024. This differs from the previous reporting period, which covered 1 July 2022 to 31 December 2023. The adjustment was made to synchronise future reports with the calendar year. Consequently, the figures in the current financial statements are not directly comparable to those of the previous reporting period.

OBJECTIVES AND ACTIVITIES

a. Foundation overview

The Foundation was established by Greg Skinner and Suneil Setiya, directors of Quadrature Capital Limited ("QCL") and QC Ventures Limited ("QCV"), together ("Quadrature"), and registered as a charity on 10 January 2020.

b. Mission and strategic goals

The Foundation envisions a climate-resilient future for the world's most vulnerable populations. Its mission is to develop science-led solutions that reduce climate risks and alleviate vulnerabilities, aiming to stabilise the climate and protect communities from climate impacts.

c. Key funding objectives

To prioritise its grantmaking efforts, the Foundation has established three key funding objectives:

- 1. Solutions to reduce greenhouse gas emissions:** The Foundation is committed to unlocking urgent solutions to effectively reduce CO₂ emissions, and drive swift reductions in other greenhouse gases, such as methane, which pose near-term climate risks.
- 2. Solutions for greenhouse gas removals:** The Foundation advances the development and scaling of high-quality initiatives to remove greenhouse gases from the atmosphere, encompassing nature-based, engineered and hybrid approaches. This includes the removal of CO₂ and other gases such as methane.
- 3. Solutions for responding effectively to climate impacts:** The Foundation supports systems-level approaches to climate resilience, particularly in the world's most climate-vulnerable regions. This work intersects with work on poverty, inequality, and suffering, including in conflict regions. It also supports work to better understand and govern climate interventions that may be needed in the future to avoid the most severe climate impacts.

The Foundation recognises that building resilient societies is central to its mission. The individuals most vulnerable to the impacts of climate change are often the poorest and most disenfranchised, facing multiple, interconnected crises such as environmental degradation, political turbulence, rising poverty, inequality, and the erosion of democratic systems.

d. Strategies for achieving objectives

The Foundation's grantmaking strategy is built on key principles:

- 1. Objective:** Informed by evidence and learning, decisions are made integrating knowledge from diverse disciplines and stakeholders.
- 2. Systems approach:** Focus on comprehensive, multi-faceted interventions addressing root causes.
- 3. Patient capital:** The Foundation prioritises long-term, multi-year grants to support sustained change.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

e. Objects

The Foundation is established for the public benefit and its objects are:

1. to promote sustainable development by the:
 - a. protection, preservation and improvement of the environment and the prudent use of resources; and
 - b. promotion of sustainable means of achieving economic growth and regeneration,
2. to advance the education of the public in subjects relating to sustainable development and the protection, enhancement, and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large; and
3. such other purposes being exclusively charitable according to the law of England and Wales as the trustees in their absolute discretion think fit.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

STRATEGIC REPORT

In 2024, the Foundation made significant strides in advancing its mission. The Foundation's New Climate Reality strategy, approved in spring 2023, reflects the latest advancements in climate science and prioritises a more human-centred approach to climate action. Moving beyond the traditional focus on 'net zero' and '1.5°C', the strategy centres on building climate resilience, emphasising the alleviation of suffering, particularly in vulnerable communities. The strategy unfolds in three key pillars:

1. **Reducing Greenhouse Gas (GHG) Emissions:** Supporting interventions that drive rapid reductions in CO₂ and other greenhouse gases.
2. **Removing GHG from the Atmosphere:** Scaling solutions for carbon dioxide removal, both nature-based and engineered.
3. **Responding Effectively to Climate Impacts:** Prioritising adaptation and resilience, particularly in the Global South.

This framework is designed to be responsive and adaptable, positioning the Foundation for impactful action while maintaining agility in a rapidly changing landscape.

A core part of the Foundation's evolution has been the increasing emphasis on resilience, both within the communities it seeks to support and in its internal structure. As the team continues to grow and diversify, the Foundation is increasingly aligned with its mission, creating a supportive environment for innovation, accountability, and collaboration.

Achievements and Performance

a. Main achievements and review of activities

In 2024, the Foundation refined its strategic approach by continuing its shift towards a more programmatic method of grantmaking, supporting ecosystems of partners to drive systemic change. This approach prioritises evidence-led strategies through rigorous field engagement and peer review, to deliver more systemic, integrated and sustainable impact across QCF's ecosystem of partners.

In support of this approach, the Foundation approved nine programmes in alignment with its New Climate Reality Strategy, covering diverse fields such as climate policy, greenhouse gas removal, energy transition, and adaptation. These programmes reflect the Foundation's commitment to addressing long-term climate challenges through a more strategic, coordinated approach.

Grant expenditure in the year was £205m and a significant milestone was also reached in 2024 with the Foundation entering performance-based agreements with a cumulative value of \$1 billion since its inception, more than half of this being made since the beginning of 2023. While impact remains the Foundation's primary measure of success, this financial milestone underscores the importance of mobilising funding to drive meaningful change.

b. Strengthening governance and organisational capacity

2024 was also a year of organisational growth. The Foundation expanded its team by 63%, welcoming 19 new members and bringing the total to 31 full-time employees (FTEs). This growth reflects the Foundation's increasing capacity to meet its strategic objectives and deepen its impact.

2024 saw the buildout of a new Advisory Board to play a supportive role in the development of organisational and programme strategy. The Advisory Board had expanded to nine individuals by the end of 2024, with expertise from diverse geographies and areas relevant to QCF's climate-resilience agenda.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

b. Strengthening governance and organisational capacity (continued)

In addition, the Chief Operating Officer (COO) joined the Foundation in early 2024 to continue the Foundation's professionalisation journey, with the organisation deepening its functional expertise across its Legal, Communications and People teams, with sharpened focus on process and system efficiencies, talent management and organisational culture.

c. Impact Measurement and Evaluation

In 2024, the Foundation published its Impact Framework, designed to guide how it tracks and evaluates its contributions to climate resilience solutions.

The framework provides a structured approach to organise and evaluate progress towards its goals, capturing both the direct learnings and outputs of the Foundation's programmes, and wider systemic impacts. It helps assess how initiatives influence long-term shifts across critical systems, including energy, land use, industry, governance, and finance. At the same time, it addresses barriers to these transitions and fosters a culture of learning that enables the Foundation to adapt its approach based on emerging evidence and insights.

d. Plans for the future

As the Foundation moves into 2025, the priority is on sharpening strategic clarity through coalescing around geographic priorities; and continuing to strengthen its team and operating model to deliver against the Foundation's operational and strategic goals.

Financial Review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The Foundation will, at all times, ensure there is a minimum level of reserves available to sufficiently cover future operational expenditure.

The Foundation obtains a donation from Quadrature for the following calendar year's operational budget prior to the commencement of each calendar year. At any point in the financial period additional donations can be requested from Quadrature, to cover any additional necessary operational expenditure over and above the approved budget. All reserves are unrestricted.

The Foundation obtains Quadrature's donations in advance for any grant payments made and, through this mechanism, it is ensured that sufficient reserves are maintained to cover future operational expenditure.

Total reserves are £26,947,018 (2023: £21,294,358). Free unrestricted reserves are calculated by taking unrestricted reserves and deducting fixed assets. As at 31 December 2023, free unrestricted reserves were £26,839,485 (2023: £21,244,473).

c. Financial results

The financial statements have been prepared covering the 12-month period from 1 January 2024 to 31 December 2024, compared to the prior reporting 18-month period of 1 July 2022 to 31 December 2023. As a result, the amounts presented in the financial statements are not comparable.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

c. Financial results (continued)

The Foundation ended the reporting period with a surplus of £5,652,660 (2023: £13,480,085). The statement of financial activities shows that the total income for the period amounted to £221,729,288 (2023: £269,860,805) and total expenditure of £216,076,628, of which expenditure on charitable activities was £204,705,047 (2023: £256,380,720, of which expenditure on charitable activities was £246,830,765).

d. Financial investments

The Foundation did not hold any investments during the reporting period. Any future investments will be approved by the trustees only after obtaining advice from a financial expert as they consider necessary and having regard to the suitability of investments and the need for diversification.

e. Principal risks and uncertainties

The Foundation has identified the following key risks and uncertainties:

1. Investments fail to have impact which could lead to failure to deliver the Foundation's mission, reputational harm and loss of credibility and/ or funding. This is the principal risk of the Foundation and ranges from failing to invest in impactful programmes and strategies to challenging economic and political operating environments which affect the Foundation's and / or the wider climate ecosystem's (including partners of the Foundation) ability to deliver impact and in some cases, operate. This risk is mitigated by the ongoing development of the Foundation's impact framework (consisting of several building blocks including partner reporting, an internal grant reviews process, and other means to evaluate our impact), the focus on impact when working with partners, close monitoring of the economic and political landscape and its impact on the Foundation's work, through the Foundation's risk framework and management plan.
2. Variability of future funding; The Foundation mitigates this risk by granting in arrears against known donations. The Foundation has clear communication with Quadrature which includes funding letters setting out estimated future donation levels.
3. Failure to fulfil grant commitments in an efficient and timely manner which may place undue stress on partners. This risk is mitigated by a grant management system which has automated the grantmaking process and includes workflows such as prompts to partners to fill in donation requests.
4. Insufficient capacity and/or skills to provide effective operational delivery, with implementation of organisational strategic plans being unable to match the demands of operational requirements. The Foundation mitigates this risk by performing regular internal reviews of organisational processes and procedures and maintaining a robust talent management plan.

f. Financial risk management objectives and policies

The Foundation recognises that risk management is essential to its governance and operations.

The trustees are responsible for ensuring that the Foundation has a sound system of internal control to safeguard its assets and funds and to ensure its assets and funds are used only to further the Foundation's objectives.

The trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

f. Financial risk management objectives and policies (continued)

The Foundation has a formal risk-management process whereby a full and detailed review of all possible major risks to the charity are categorised with an associated control activity to mitigate the risk and are ranked according to likelihood and impact to the charity for review by the trustees.

g. Principal funding, fundraising activities and income generation

Funding is provided by Quadrature. The Foundation does not currently undertake any fundraising activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Charity governance code

The trustees have reviewed the Charity Governance Code and specifically note the clarity that the seven principles of the code bring to board development, ongoing review and effective governance of the Foundation.

b. Constitution

The Foundation is registered as a charitable company limited by guarantee. The Foundation was registered as a charity on 10 January 2020, with charity number 1187301. The Foundation is constituted by its governing document, the articles of association.

c. Methods of appointment or election of trustees

The trustees are elected under the terms of the articles of association.

d. Organisational structure and decision-making policies

The trustees are ultimately responsible for the Foundation. The trustees recognise that good governance is fundamental to the Foundation's success and ensure that it is well governed through implementing, supporting and regularly reviewing the Foundation's governance framework to ensure that it is appropriate in terms of its size, complexity, stage of development and the Foundation's charitable purposes.

The trustees provide strategic oversight, support the Foundation in respect of performance and impact and is responsible for the Foundation's risk management framework. In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public Benefit: running a charity (PB2)'.

Whilst some matters are reserved for the trustees and cannot be delegated, day-to-day operations of the Foundation have been delegated to the management team. In line with best practice, the trustees have approved the delegation framework in a Scheme of Delegation which is routinely reviewed.

The Foundation's operations are currently structured around four functions:

- 1. Science:** Provides in-house expertise and coordinates external expert networks.
- 2. Programmes and strategy:** Designs and executes grantmaking efforts.
- 3. Finance and operations:** Ensures operational efficiencies and effective delivery.
- 4. People:** Cultivates the culture and capacity needed to achieve the Foundation's goals.

The Foundation has a governance framework to support an efficient and effective organisation with due regard to risk and risk management. A key part of this is the role of the trustees (including how they delegate authority) and the expanded advisory board. The advisory board uses its expertise to act as both 'challenger' and 'thought partner' to the executive. The advisory board does not have any decision-making powers.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

d. Organisational structure and decision-making policies (continued)

Key organisational policies include the Foundation's governance framework, the terms of reference for the trustees and the advisory board, the Scheme of Delegation and its reserves and conflicts policies. The Foundation also maintains a comprehensive suite of operational policies.

e. Policies adopted for the induction and training of trustees

On appointment, trustees are formally inducted to the Foundation by attending onboarding sessions with the management team and key functions including Programmes, Legal, Finance and Impact. New trustees are provided with copies of key documents relevant to the Foundation such as the latest financial statements, the conflicts of interest policy, the risk management framework and the current strategic plans.

f. Remuneration policy

The Foundation operates as a lean and agile team with a bold mission. Its remuneration policies and practices are designed to support its long-term success and the delivery of its strategy.

The Foundation conducts annual reviews of employee pay, including for key management personnel, benchmarking salaries against global industry standards from both the private and non-profit sectors. Salary bands are approved by the trustees, ensuring compensation remains competitive within the market. These policies aim to attract and retain exceptional talent, which is critical to executing the Foundation's strategy and achieving its mission.

In addition, all employees receive a comprehensive benefits package that supports their health and wellbeing.

f. Related-party relationships

The Foundation receives funding and other contributions from Quadrature. Two of the Foundation's trustees are directors of Quadrature. The Foundation's trustees act in the best interests of the charity.

g. Risk management

The trustees identify and assess the major risks to which the Foundation is exposed, including risks relating to the Foundation's programmes and partners, the Foundation's people, operations and finances as well as external factors such as its reputation and the environment in which it operates. The trustees are satisfied that systems and procedures are in place to mitigate exposure to the major risks including the risk framework updated annually, identification, assessment, mitigation, and monitoring of the major risks through an organisational risk register in which risks are categorised and ranked according to likelihood and impact. The risk register also includes actions to be taken to mitigate and manage risk, including designating an accountable person to manage each risk.

h. Trustees' indemnities

In accordance with the Foundation's articles of association, the trustees are entitled to benefit from trustee indemnity insurance and may receive an indemnity from the Foundation under certain circumstances.

i. Grantmaking

The trustees approve the business plan which identifies strategic areas for grantmaking, ensuring the Foundation's activities represent an appropriate use of the Foundation's funds in line with the Foundation's charitable objectives. Priorities for support are reviewed annually.

The Foundation makes grants to a range of organisations including registered UK and overseas charities as well as universities and for-profits where appropriate. Grants are awarded on an 'invitation to apply' only basis. All grant applications are subject to a rigorous due diligence process.

QUADRATURE CLIMATE FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE PERIOD ENDED 31 DECEMBER 2024

j. Grantmaking (continued)

The Foundation's programme and science functions use their existing networks and develop new networks within the approved strategic area to identify potential partners. The programme and science functions work with partners to refine their proposals and officially 'invite to apply' via the Foundation's grants management system, ensuring a uniform and transparent formal application and due diligence process.

All grants are processed by the Foundation's experienced grant management function and supported and reviewed by the in-house legal and finance functions. Active grants are managed by the grants management and programme and science functions.

k. Volunteers

The Foundation does not use volunteers to deliver any services or in support of its grantmaking activities.

l. Main activities undertaken to further the Foundation's purposes for the public benefit

The Foundation's primary activity is grantmaking to climate charities and non-profits. The Foundation also engages with other charitable and philanthropic entities and their networks to exchange views and best practice. The Foundation may from time-to-time host or support convenings where they further the Foundation's charitable objectives.

QUADRATURE CLIMATE FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE PERIOD ENDED 31 DECEMBER 2024

| | |
|--------------------------|--|
| Trustees | G H Skinner S Setiya N Cosgrove J Hooke (appointed 2 April 2024) |
| Registered Office | 10 Queen Street Place London EC4R 1AG |
| Trading Office | Uncommon Liverpool Street 34-37 Liverpool Street London EC2M 7PP |
| Company number: | 12194319 |
| Charity number: | 1187301 |
| Auditors | HaysMac LLP 10 Queen Street Place London EC4R 1AG |
| Bankers | Barclays Plc 1 Churchill Place London E14 5HP UBS Wealth Management 5 Broadgate London EC2M 2AN |

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Statement of trustees' responsibilities

The trustees (who are also directors of the Foundation 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 Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and for taking reasonable steps to prevent and detect fraud and other irregularities.

So far as each of the trustees is aware at the time this report is approved:

- there is no relevant audit information of which the Foundations auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Haysmacintyre LLP rebranded and their registered name changed in November 2024 to HaysMac LLP. HaysMac LLP has expressed its willingness to continue in office as auditors and a resolution proposing its reappointment will be submitted at the appropriate Trustee meeting.

Approved by order of the members of the board of trustees on 13 August 2025 and signed on their behalf by:



Jennifer Hooke
Trustee

Date: 13 August 2025

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

Independent auditor's report to the members of Quadrature Climate Foundation

Opinion

We have audited the financial statements of Quadrature Climate Foundation for the period ended 31 December 2024 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the Foundation's affairs as at 31 December 2024 and of the Foundation's net movement in funds, including the income and expenditure, for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and 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 strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Foundation and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the Foundation; or
- the Foundation financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the Foundation for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Based on our understanding of the Foundation and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities SORP (2019) and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of grant expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing the controls and procedures of the charity, including during the Covid-19 remote working period;
- Reviewing minutes of trustees' meetings;
- Identifying and testing journals, in particular journal entries posted around the year-end; and

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

- Challenging assumptions and judgements made by management in their critical accounting estimates.

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



Richard Weaver
For and on behalf of HaysMac LLP, Statutory Auditors

Date: 14 August 2025

10 Queen Street Place
London
EC4R 1AG

QUADRATURE CLIMATE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2024

| | Note | 12 Months Ended 31 December 2024 | 18 Months Ended 31 December 2023 |
|------------------------------------|------|---|---|
| | | £ | £ |
| Income from: | | | |
| Donations and legacies | 2 | 221,690,197 | 269,721,626 |
| Interest | | 39,091 | 139,179 |
| Total income | | <u>221,729,288</u> | <u>269,860,805</u> |
| Expenditure on: | | | |
| Charitable activities | | 204,705,047 | 246,830,765 |
| Other expenditure | 4 | 11,371,581 | 9,549,955 |
| Total expenditure | | <u>216,076,628</u> | <u>256,380,720</u> |
| Net movement in funds | | <u>5,652,660</u> | <u>13,480,085</u> |
| Reconciliation of funds: | | | |
| Reconciliation of funds: | | | |
| Total funds brought forward | | 21,294,358 | 7,814,273 |
| Net movement in funds | | 5,652,660 | 13,480,085 |
| Total funds carried forward | | <u><u>26,947,018</u></u> | <u><u>21,294,358</u></u> |

All of the Charity's funds in both the current and prior year were unrestricted.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 17 to 26 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION**BALANCE SHEET****FOR THE PERIOD ENDED 31 DECEMBER 2024****Company number: 12194319**

| | Note | 31 December 2024 £ | 31 December 2023 £ |
|---|-------------|-----------------------------------|-----------------------------------|
| Fixed assets | | | |
| Tangible fixed assets | 8 | 107,533 | 49,885 |
| Current assets | | | |
| Debtors | 9 | 749,946 | 368,759 |
| Cash at bank and in hand | | 27,094,006 | 27,482,508 |
| | | 27,843,952 | 27,851,267 |
| Creditors: amounts falling due within one year | 10 | (1,004,467) | (6,606,794) |
| Net current assets | | 26,839,485 | 21,244,473 |
| Total assets less current liabilities | | 26,947,018 | 21,294,358 |
| Total net assets | | 26,947,018 | 21,294,358 |
| Charity funds | | | |
| Unrestricted funds | | 26,947,018 | 21,294,358 |
| Total funds | | 26,947,018 | 21,294,358 |

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the financial statements.

These financial statements were approved and authorised for issue by the trustees on 13 August 2025 and signed on its behalf by:



Jennifer Hooke
Trustee

The notes set out on pages 17 to 26 form an integral part of these financial statements.

QUADRATURE CLIMATE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024

| | Note | 12 Months Ended 31 December 2024 £ | 18 Months Ended 31 December 2023 £ |
|--|-------------|---|---|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 11 | 27,482,508 | 9,089,746 |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the reporting period | | (388,502) | 18,392,762 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the period | | 27,094,006 | 27,482,508 |
| | | <hr/> <hr/> | <hr/> <hr/> |

Cash and cash equivalents comprise solely cash at bank and in hand for both the current and prior period.

The notes on pages 17 to 26 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared covering the 12-month period from 1 January 2024 to 31 December 2024, compared to the prior reporting period of 1 July 2022 to 31 December 2023. As a result, the amounts presented in the financial statements are not comparable.

The financial statements have been prepared in accordance of with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practise applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Quadrature Climate Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going Concern

After making appropriate enquiries, the trustees have a responsible expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Company and which have not been designated for the other purposes.

1.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

1 Accounting policies (continued)

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Tangible fixed assets will only be capitalised if the asset is £1,000 or over.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| | |
|------------------|-----------|
| Office Equipment | - 4 years |
|------------------|-----------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

1.11 Critical accounting judgements or estimation

The trustees do not consider there to be any significant judgements or sources of estimation uncertainty in relation to the preparation of the financial statements.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

1 Accounting policies (continued)

1.12 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Notice period payments

Notice period payments are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the charity committed to either terminate the employment of an employee or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The charity considers it is committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

1.14 Foreign currency translation

The Foundations' functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency and monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.15 Related party transactions

The charity discloses all related party transactions as required by Section 33 of FRS 102 and the Charity SORP. A related party is a person or entity that has control or significant influence over the charity, or a person or entity over which the charity has control or significant influence. This includes trustees, key management personnel, and their close family members, as well as entities in which these individuals have a controlling interest.

All related party transactions are conducted at arm's length and on normal commercial terms unless otherwise stated. The charity ensures that no personal benefit is derived by trustees or key management personnel except as permitted by charity law and disclosed in these financial statements.

Donated services and facilities from related parties are measured at value to the entity. If equivalent services would not have been purchased if they had not been donated, they are recorded at nil value.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

2. Income from donations and legacies

| | Total Funds 12 Months Ended 31 December 2024 £ | Total Funds 18 Months Ended 31 December 2023 £ |
|-----------|---|---|
| Donations | 221,690,197 | 269,721,626 |
| | <u>221,690,197</u> | <u>269,721,626</u> |

3. Analysis of Grants

| | Grants to Institutions 12 Months Ended 31 December 2024 £ | 12 Months Ended 31 December 2024 £ | Total Funds 18 Months Ended 31 December 2023 £ |
|-------------|--|---|---|
| Grants made | 204,705,047 | 204,705,047 | 246,830,765 |
| | <u>204,705,047</u> | <u>204,705,047</u> | <u>246,830,765</u> |

During the year, the Foundation made grants in excess of £1,000,000 (2023: £750,000) to the following institutions:

| | 12 Months Ended 31 December 2024 £ | 18 Months Ended 31 December 2023 £ |
|---|---|---|
| Agfood Future Foundation | - | 1,669,398 |
| Allied Climate Partners | 3,793,511 | - |
| Anthropocene Fixed Income Institute | - | 1,730,769 |
| Arctic Basecamp | 1,247,754 | 1,696,946 |
| Boston University | - | 869,692 |
| BRM Futures | 2,972,903 | 2,972,903 |
| Canopy Planet Society | 1,310,045 | 2,132,992 |
| Carbon Gap | - | 1,320,000 |
| Carbon Tracker Initiative | 1,666,667 | 769,231 |
| Center for Climate and Energy Solutions | - | 857,594 |
| Centre for Investigative Journalism | - | 1,313,544 |
| Centre for Research on Energy and Clean Air | - | 928,367 |
| Clean Air Fund | 2,967,973 | - |
| Clean Air Task Force Inc | 2,367,667 | 2,200,000 |
| Climate Breakthrough | - | 2,734,631 |
| Climate Policy Radar CIC | - | 845,000 |
| ClimateWorks Foundation | 12,330,571 | 24,013,131 |
| Subtotal carried forward | 28,657,091 | 46,054,198 |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

3. Analysis of Grants (continued)

| | | |
|--|--------------------|--------------------|
| Brought forward | 28,657,091 | 46,054,198 |
| Count Us In (LQ Foundation) | - | 2,000,000 |
| Earth Island Institute | - | 1,742,643 |
| Ember | 1,492,615 | 2,487,692 |
| Energy Foundation | - | 1,620,457 |
| Environmental Leadership Australia | - | 1,761,342 |
| European Climate Foundation | 20,269,380 | 12,487,341 |
| Fondation Pour l'institut De Hautes Etudes Internationales Et Du Développement | - | 835,111 |
| Foundation For International Law for The Environment | 1,289,380 | 6,189,858 |
| Future Earth International | - | 1,602,877 |
| Global Energy Monitor | 1,161,603 | 1,161,890 |
| Global Greengrants Fund | - | 994,889 |
| Global Resilience Partnership | 1,592,456 | - |
| Grantham Environmental Trust | 1,936,875 | - |
| Grantham Foundation | 21,560,708 | 27,824,656 |
| Green Finance Institute | 1,769,240 | 2,098,898 |
| Greenmap | - | 1,911,987 |
| Growald Family Fund | 19,614,721 | 20,103,321 |
| Homeworld Collective | 1,152,836 | - |
| Institute for Climate and Society | 1,177,449 | 1,191,725 |
| Institute for Energy Economics and Financial Analysis Inc | 1,182,424 | 1,462,123 |
| Instituto del Bien Comun | - | 1,071,678 |
| International Institute for Environment & Development | 1,068,366 | - |
| Kids Operating Room | 1,539,219 | - |
| Market Forces | - | 1,291,157 |
| Media Bounty | - | 1,375,000 |
| Meliore Foundation | 12,679,310 | - |
| Mighty Earth | - | 2,358,517 |
| Potential Energy Coalition | 2,768,457 | 2,807,713 |
| Project Tempo | 4,241,417 | 1,615,487 |
| Regulatory Assistance Project | - | 1,700,266 |
| Rights And Resources Institute Inc | - | 1,646,111 |
| Rockefeller Philanthropy Advisors (CECG) | 5,304,430 | 6,647,514 |
| Rocky Mountain Institute | - | 2,004,517 |
| SilverLining NGO | 3,048,626 | - |
| Spark Climate Solutions | 1,573,564 | 4,950,242 |
| Stand Earth | - | 1,916,059 |
| Stitching SED Fund | 5,109,541 | 19,706,313 |
| Systemiq | 1,716,051 | - |
| Tara Climate | 3,956,667 | - |
| TED Foundation | 1,573,541 | - |
| The African Climate Foundation | - | 4,693,071 |
| The Bellona Foundation | 1,606,123 | - |
| The Centre for Innovation In Voluntary Action | - | 1,300,000 |
| The Climate Subak CIC | - | 1,610,125 |
| The Degrees Initiative | 1,397,037 | - |
| The Embankment Institute | - | 2,510,103 |
| The Good Food Institute | 1,584,510 | 1,616,044 |
| The Sunrise Project | 4,786,903 | 7,617,457 |
| Third Way Institute | - | 1,642,425 |
| TMP Public CIC | 1,104,469 | - |
| TransitionZero | 1,129,153 | 1,900,000 |
| Subtotal carried forward | 159,044,162 | 205,510,807 |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

3. Analysis of Grants (continued)

| | | |
|--|--------------------|--------------------|
| Brought forward | 159,044,162 | 205,510,807 |
| Transport & Environment | - | 1,364,000 |
| UNHCR | 1,345,841 | - |
| United Nations Office for Project Services | - | 824,198 |
| University College London | 1,155,508 | 1,034,764 |
| University of Cambridge | 1,000,000 | - |
| University of Oxford | 1,433,118 | 1,676,568 |
| University Of Washington | 1,969,620 | - |
| WePlanet | - | 771,433 |
| Windward Fund | 6,839,873 | 9,451,778 |
| Woodwell Climate Research Center | - | 4,284,588 |
| World Economic Forum | - | 3,040,397 |
| World Resources Institute | - | 4,197,100 |
| WWF | - | 1,400,000 |
| Other grants to institutions | 31,916,925 | 13,275,132 |
| | 204,705,047 | 246,830,765 |

The Foundation has entered into commitments that may result in further grants totalling £160,054,563 (2023: £95,433,714) being paid to institutions in future years. These payments are subject to criteria that need to be satisfied by the recipient and are dependent on the Foundation having appropriate funds available to finance them. All future payments are subject to the Foundation's discretion and, as such, liabilities for these grants have not been recognised at 31 December 2024.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

4. Other expenditure

| | Total Funds 12 Months Ended 31 December 2024 £ | Total Funds 18 Months Ended 31 December 2023 £ |
|-------------------------------|---|---|
| Administrative expenses | 2,002,453 | 1,901,350 |
| Finance costs | 7,468 | 8,124 |
| Rent | 775,433 | 1,142,119 |
| Foreign Exchange Loss/ (Gain) | 617,215 | (270,834) |
| Consulting Fees | 1,551,966 | 846,776 |
| Legal and professional fees | 487,951 | 488,746 |
| Wages and Salaries | 4,903,628 | 4,456,234 |
| Employer's National Insurance | 589,492 | 570,774 |
| Pension costs | 205,578 | 143,866 |
| Other staff costs | 199,792 | 243,912 |
| Depreciation | 30,605 | 18,888 |
| | <u>11,371,581</u> | <u>9,549,955</u> |

5. Auditors' remuneration

| | 12 Months Ended 31 December 2024 £ | 18 Months Ended 31 December 2023 £ |
|---|---|---|
| Legal and professional fees (note 4) include the following: | | |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 28,320 | 27,600 |
| Fees payable to the Company's auditor in respect of: All non-audit services not included above | 23,280 | 34,860 |
| | <u>23,280</u> | <u>34,860</u> |

6. Staff costs

| | 12 Months Ended 31 December 2024 £ | 18 Months Ended 31 December 2023 £ |
|--|---|---|
| Wages and salaries | 4,903,628 | 4,456,234 |
| Social security costs | 589,492 | 570,774 |
| Contribution to defined contribution pension schemes | 205,578 | 143,866 |
| | <u>5,698,698</u> | <u>5,170,874</u> |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

6. Staff costs (continued)

Included in the above are multiple notice period payments totalling £555,755 for the year ended 31 December 2024 (and £1,008,659 for the 18-month period ending 31 December 2023).

The average number of persons employed by the Company during the period was as follows:

| | 12 Months Ended 31 December 2024 £ | 18 Months Ended 31 December 2023 £ |
|-----------|---|---|
| Employees | 27 | 15 |

As at 31 December 2024, the number of persons employed by the Company was 31 (2023:19).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| Salary bands for relevant period | 12 Months Ended 31 December 2024 | 18 Months Ended 31 December 2023 |
|---|---|---|
| £60,001 - £70,000 | 1 | - |
| £70,001 - £80,000 | 2 | 2 |
| £80,001 - £90,000 | 4 | 1 |
| £90,000 - £100,000 | 1 | - |
| £100,001 - £110,000 | 2 | - |
| £110,001 - £120,000 | 1 | 2 |
| £120,001 - £130,000 | 2 | - |
| £130,001 - £140,000 | 1 | - |
| £140,001 - £150,000 | - | 3 |
| £150,001 - £160,000 | - | 1 |
| £160,001 - £170,000 | - | 1 |
| £170,001 - £180,000 | 2 | 1 |
| £190,001 - £200,000 | 1 | - |
| £200,001 - £210,000 | - | 1 |
| £220,001 - £230,000 | 1 | 1 |
| £260,001 - £270,000 | 2 | - |
| £270,001 - £280,000 | - | 1 |
| £280,001 - £290,000 | 1 | 1 |
| £290,001 - £300,000 | 1 | - |
| £320,001 - £330,000 | 1 | - |
| £330,001 - £340,000 | 1 | - |
| £370,001 - £380,000 | 1 | - |
| £550,001 - £560,000 | 1 | - |
| £570,001 - £580,000 | - | 1 |
| £1,420,001 - £1,430,000 | - | 1 |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

6. Staff costs (continued)

Key management personnel compensation totalled £2,499,087 during the year ended 31 December 2024 (and £3,626,865 for the 18-month period ending 31 December 2023).

7. Trustees remuneration and expenses

During the period, no trustees received any remuneration or other benefits. During the year ended 31 December 2024 £9,837 (period ended 31 December 2023, £1,002) worth of Trustee expenses have been incurred.

8. Tangible fixed assets

| | Office Equipment £ | Total £ |
|-----------------------|-----------------------------------|-----------------------|
| Cost | | |
| At 1 January 2024 | 77,259 | 77,259 |
| Additions | 88,253 | 88,253 |
| Disposal | - | - |
| At 31 December 2024 | <u>165,512</u> | <u>165,512</u> |
| Depreciation | | |
| At 1 January 2024 | 27,374 | 27,374 |
| Charge for the period | 30,605 | 30,605 |
| At 31 December 2024 | <u>57,979</u> | <u>57,979</u> |
| Net Book Value | | |
| At 31 December 2023 | <u>49,885</u> | <u>49,885</u> |
| At 31 December 2024 | <u><u>107,533</u></u> | <u><u>107,533</u></u> |

9. Debtors

| | 31 December 2024 £ | 31 December 2023 £ |
|--------------------------------|-----------------------------------|-----------------------------------|
| Due within one year | | |
| Prepayments and accrued income | 554,904 | 155,810 |
| Other Debtors | 195,042 | 212,949 |
| | <u>749,946</u> | <u>368,759</u> |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

10. Creditors: Amounts falling due within one year

| | 31 December 2024 £ | 31 December 2023 £ |
|------------------------------|--------------------------|--------------------------|
| Trade creditors | 295,754 | 134,523 |
| Other creditors | 39,888 | 60,173 |
| Accruals and deferred income | 668,825 | 6,412,099 |
| | <u>1,004,467</u> | <u>6,606,795</u> |

Details of future grant commitments are given in note 3 to the accounts.

11. Reconciliation of net movement in funds to net cash flow from operating activities

| | 31 December 2024 £ | 31 December 2023 £ |
|--|--------------------------|--------------------------|
| Net income for the period (as per Statement of Financial Activities) | 5,652,660 | 13,480,085 |
| Adjustments for: | | |
| Depreciation charged | 30,605 | 18,888 |
| Purchase of tangible fixed assets | (88,253) | (54,575) |
| Disposal of tangible fixed assets | - | - |
| Increase in debtors | (381,187) | (297,239) |
| (Decrease) / increase in creditors | (5,602,328) | 5,245,603 |
| Net cash provided by operating activities | <u>(388,503)</u> | <u>18,392,762</u> |

12. Pension Commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the scheme and amounted to £205,578 (2023: £143,866). At 31 December 2024 contributions of £39,888 (2023: £28,317) were unpaid and included in other creditors.

13. Related party transactions

During the year, donations of £221,690,197 (2023: £269,721,626) were received from Quadrature, a Company controlled by two of the Foundation's trustees. A total of £nil (2023: £31,855) was due to Quadrature at the period end.

Donated services and hospitality were provided by Quadrature during the year, valued at £nil.

A total of £81,000 (2023: £nil) was paid to Jennifer Hooke, Trustee, under a service agreement to provide Advisory Services to the Foundation.

QUADRATURE CLIMATE FOUNDATION

England & Wales - Charity number 1187301

Accounts

QUADRATURE CLIMATE FOUNDATION
(a charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

Company Number 12194319
Charity Number 1187301

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present the annual report and the audited financial statements of Quadrature Climate Foundation (the "Foundation" or the "Company") for the period ended 31 December 2023. The trustees confirm that the annual report and financial statements of the Foundation comply with current statutory requirements, the governance requirements of the Foundation and the provisions of the 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 (FRS102) (effective 1 January 2019) ("SORP").

The financial statements have been prepared for the 18-month period from 1 July 2022 to 31 December 2023. This differs from the previous reporting period, which covered 1 July 2021 to 30 June 2022. The adjustment was made to synchronise future reports with the calendar year. Consequently, the figures in the current financial statements are not directly comparable to those of the previous reporting period.

OBJECTIVES AND ACTIVITIES

a. Foundation Overview

The Foundation was founded by Greg Skinner and Suneil Setiya, directors of Quadrature Capital Limited ("QCL") and QC Ventures Limited ("QCV"), together ("Quadrature"), and registered as a charity on 10 January 2020.

b. Mission and Strategic Goals

The trustees have defined the Foundation's vision as a climate-resilient future for the world's most vulnerable people, and its mission is to take a science-led approach to unlocking solutions that reduce climate impacts and lift people out of vulnerability. Its outcomes focus on stabilising the climate and reducing the vulnerability of people to inevitable climate impacts.

c. Key Funding Objectives

To prioritise its grantmaking efforts, the Foundation has established three key funding objectives:

- 1. Solutions to reduce greenhouse gas emissions:** The Foundation is committed to unlocking urgent solutions to effectively reduce CO₂ emissions, and drive swift reductions in other greenhouse gases, such as methane, which pose near-term climate risks.
- 2. Solutions for greenhouse gas removals:** The Foundation advances the development and scaling of high-quality initiatives to remove greenhouse gases from the atmosphere, encompassing nature-based, engineered and hybrid approaches. This includes the removal of CO₂ and other gases such as methane.
- 3. Solutions for responding effectively to climate impacts:** The Foundation supports systems-level approaches to climate adaptation, particularly in the world's most climate-vulnerable regions. It also supports work to better understand and govern climate interventions that may be needed in the future to avoid the most severe climate impacts.

The Foundation recognises that building resilient societies is central to its mission. The individuals most vulnerable to the impacts of climate change are often the poorest and most disenfranchised, facing multiple, interconnected crises such as environmental degradation, political turbulence and polarisation, rising poverty, inequality, and the erosion of democratic systems. To reduce vulnerability for these groups, adopting a systemic risk approach is crucial.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

d. Strategies for Achieving Objectives

The Foundation delivers on its objectives through its grantmaking strategy. This strategy is based on the following principles:

1. **Science-led.** The Foundation's priorities are defined by drawing on external evidence from diverse sources to inform and challenge internal assumptions.
2. **Systems approach.** The Foundation takes a science-led approach to understanding the root causes of problems and the full suite of multi-tactic interventions required to address them.
3. **Patient.** Tackling these interconnected objectives takes time and requires patient capital, which is why the trustees have prioritised multi-year granting in the Foundation's portfolio. This approach ensures sustained support for long-term initiatives, fostering stability and enabling impactful, significant change over time.
4. **"Lean, light, lenient"**. The Foundation's new impact framework adopts a lighter touch reporting approach, to empower its teams and grantees with the flexibility to innovate, learn and adapt, rather than be constrained by heavy reporting requirements.

The Foundation is structured around four functions to achieve these objectives:

1. **Science** team, to provide in-house expertise and coordinate its external expert networks including the Foundation's fellows, in addition to overseeing organisational and strategic impact;
2. **Programmes and Strategy** team, to design and execute on the Foundation's grants;
3. **Operations** team, to unlock delivery; and
4. **People** team, to ensure the Foundation has the people and culture to deliver.

The Foundation has a governance framework to support an efficient and effective organisation with due regard to risk and risk management. A key part of this is the role of the trustees (including how they delegate authority) and a newly appointed advisory board. Key organisational policies include the Foundation's governance framework, the terms of reference for the trustees and the advisory board, the Scheme of Delegation and its reserves and conflicts policies. The Foundation also maintains a comprehensive suite of operational policies.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public Benefit: running a charity (PB2)'.

e. Objects

The Foundation is established for the public benefit and its objects are:

1. to promote sustainable development by the:
 - a. protection, preservation and improvement of the environment and the prudent use of resources; and
 - b. promotion of sustainable means of achieving economic growth and regeneration,
2. to advance the education of the public in subjects relating to sustainable development and the protection, enhancement, and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large; and
3. such other purposes being exclusively charitable according to the law of England and Wales as the trustees in their absolute discretion think fit.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

STRATEGIC REPORT

The 18-month period from 1 July 2022 to 31 December 2023 marked significant growth for the Foundation, driven by strategic and structural changes. It expanded its capacity and operations to fulfil substantial commitments across the sector, positioning itself to address the urgent need for funding to combat climate change and climate impact.

In spring 2023, the Foundation introduced its 'New Climate Reality' strategy, reflecting the latest advancements in climate science. This innovative approach marked a significant diversification in the Foundation's climate action portfolio. Moving beyond a primary focus on emissions reductions, the strategy encompasses three critical pillars:

1. Reducing GHG emissions;
2. Removing GHG from the atmosphere; and
3. Responding effectively to climate impacts.

This strategy was designed to maintain the Foundation's agility and responsiveness, with a business planning process that provides clear direction without imposing bureaucratic constraints.

Achievements and Performance

a. Main achievements and review of activities

In line with the sharpened strategy for the Foundation, there was a shift in how investments were made, towards a more strategic, programmatic approach. The Foundation moved away from making individual grants towards supporting whole ecosystems of grantees that can leverage each other and the Foundation to unlock full system change. The aim of the new programmatic approach was to build science-based strategies that go through rigorous field engagement and peer review.

Strategies are developed, scrutinised, and approved on a rolling basis. Twelve programmatic grantmaking areas have been approved, since the New Climate Reality Strategy was introduced, covering Short-Lived Climate Pollutants, Solar Radiation Management, Transition Minerals, European Climate Policy, UK Climate Policy, Industry, Mission-Oriented Research Support, Neglected Climate Solutions, Carbon Dioxide Removal, Finance, Energy Transition, and Free Data Access.

The Foundation also introduced an advisory board in 2023 to collaborate with the trustees and management team, ensuring robust governance and scrutiny. Two leading climate experts were appointed as co-chairs of the advisory board. Recruitment for additional members of the advisory board is ongoing, with a strong emphasis on diversity in geography, gender, age, and sector experience.

The advisory board's diverse perspectives and solution-oriented approaches have already enhanced the Foundation's work and direction. Their extensive networks and influence have also helped the Foundation connect with new experts and practitioners, further supporting its strategy.

Delivering on the sharpened strategy required a new approach to team structures and working. The Foundation increasingly focused on elevating and expanding its science capacity to match its science-based ambitions. Managed by the Chief Science Officer (new in post in 2023), the science team engaged with researchers, technologists and thought leaders beyond philanthropy; ran sprints on issues identified by the programmes team; stress tested strategies and grants; and supported the field with the latest science.

The programmes team was re-oriented to focus on 'horizontal' tactical expertise rather than 'vertical' sector expertise. New roles were created to ensure expertise across the multiple tactics that need to be supported in the field, including policy, legal and civil society.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

a. Main achievements and review of activities (continued)

The operations team was strengthened to ensure the Foundation could deliver at pace and focus on impact, while managing risk appropriately so that the Foundation could achieve its purpose and mission. This included building an experienced team in areas such as legal and finance and elevating these functions to be headed up by director-level positions under the Chief Operating Officer.

People and culture remained at the centre of the Foundation, creating the conditions that empowered people to lead and provided incentives to collaborate, catalysing even greater change. Managed by the Chief People Officer, these changes necessitated role evolution and the hiring of new employees. To support this, bi-annual away days were held, in addition to regular team-building activities and thorough onboarding of new team members.

b. Key performance indicators

The Foundation set performance criteria across several key areas to ensure its grantmaking operations are effective and efficient. Grantmaking is designed to utilise funds swiftly and flexibly to support the objectives of the Foundation.

The Foundation is developing an impact framework to help assess the longer-term effectiveness of funding, demonstrate accountability and enable 'in flight' adjustments as fresh evidence arises. This is needed to demonstrate the impact of the Foundation's investments as well as the leverage achieved from others' investments resulting in the highest impact solutions. This also ensures continuous learning, as the climate science and climate solutions context is constantly evolving. The impact framework will be refreshed annually and will drive organisational planning by connecting strategic impact goals with the Foundation's business plan.

c. Plans for the future

The Foundation remains focused on the effective and efficient implementation of the strategy approved by the trustees in 2023, by continuing to make high-impact grants across a diverse ecosystem of grantees.

After a period of organisational change in 2023, the Foundation aims to stabilise and optimise its operations throughout 2024 and 2025, supported by an expanded team of functional experts who will raise the bar across the Foundation's processes, policies and systems. The Foundation continues to identify innovative and overlooked climate solutions, increasing its focus on strategies that target the bottlenecks to systems level change and allocating funding across its strategic priorities even more effectively as lessons are learned from the implementation of the impact framework.

Financial Review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The Foundation will, at all times, ensure there is a minimum level of reserves available to sufficiently cover future operational expenditure.

QUADRATURE CLIMATE FOUNDATION
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2023

b. Reserves policy (continued)

The Foundation obtains a donation from Quadrature for the following calendar year's operational budget (including a contingency) prior to the commencement of each calendar year. At any point in the financial period additional donations can be requested from Quadrature, to cover any additional necessary operational expenditure over and above the approved budget. All reserves are unrestricted.

The Foundation obtains Quadrature's donations in advance for any grant payments made and, through this mechanism, it is ensured that sufficient reserves are maintained to cover future operational expenditure.

Total reserves are £21,294,358 (June 2022: £7,814,273). Free unrestricted reserves are calculated by taking unrestricted reserves and deducting fixed assets. As at 31 December 2023, free unrestricted reserves were £21,244,473 (June 2022: £7,800,075).

c. Financial results

The financial statements have been prepared covering the 18-month period from 1 July 2022 to 31 December 2023, compared to the prior reporting period of 1 July 2021 to 31 June 2022. As a result, the amounts presented in the financial statements are not comparable.

The Foundation ended the reporting period with a surplus of £13,480,085 (June 2022: £69,512 deficit). The statement of financial activities shows that the total income for the period amounted to £269,860,805 (2022: £130,258,181) and total expenditure of £256,380,720, of which expenditure on charitable activities was £246,830,765 (June 2022: £130,327,693, of which expenditure on charitable activities was £127,197,792).

d. Financial investments

The Foundation does not currently hold any investments. Any future investments will be approved by the trustees only after obtaining advice from a financial expert as they consider necessary and having regard to the suitability of investments and the need for diversification.

e. Principal risks and uncertainties

The principal risk for the Foundation is variability of future funding.

The Foundation mitigates this risk by granting in arrears against known donations. The Foundation has clear communication with Quadrature which includes funding letters setting out estimated future donation levels.

In addition to the principal risk, the Foundation has identified the following risks and uncertainties:

1. Investments fail to have impact which could lead to failure to deliver the Foundation's mission, reputational harm and loss of credibility and/ or funding. This risk is mitigated by the ongoing development of the Foundation's impact framework and focus on impact when working with grantees.
2. Failure to fulfil grant commitments in an efficient and timely manner which may place undue stress on grantees. This risk is mitigated by a grant management system which has automated the grantmaking process and includes workflows such as prompts to grantees to fill in donation requests.
3. Inability to recruit and retain staff of the required calibre to deliver against the granting ambition. The Foundation mitigates this risk by proactive recruitment planning, having dedicated employees for recruitment and partnering with the most appropriate recruitment agencies.
4. Insufficient capacity and/or skills to provide effective operational delivery, with implementation of organisational strategic plans being unable to match the demands of operational requirements. The Foundation mitigates this risk by performing regular internal reviews of organisational processes and procedures and maintaining a robust recruitment plan.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

f. Financial risk management objectives and policies

The Foundation recognises that risk management is essential to its governance and operations.

The trustees are responsible for ensuring that the Foundation has a sound system of internal control to safeguard its assets and funds and to ensure its assets and funds are used only to further the Foundation's objectives.

The trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Foundation has a formal risk management process whereby a full and detailed review of all possible major risks to the charity are categorised with an associated control activity to mitigate the risk and are ranked according to likelihood and impact to the charity for review by the trustees.

g. Principal funding, fundraising activities and income generation

Funding is provided by Quadrature. The Foundation does not currently undertake any fundraising activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Charity Governance Code

The trustees have reviewed the Charity Governance Code and specifically note the clarity that the seven principles of the code bring to board development, ongoing review and effective governance of the Foundation.

b. Constitution

The Foundation is registered as a charitable company limited by guarantee. The Foundation was registered as a charity on 10 January 2020, with charity number 1187301. The Foundation is constituted by its governing document, the articles of association.

c. Methods of appointment or election of trustees

The trustees are elected under the terms of the articles of association.

d. Organisational structure and decision-making policies

The trustees are ultimately responsible for the Foundation. The trustees recognise that good governance is fundamental to the Foundation's success and ensure that it is well governed through implementing, supporting and regularly reviewing the Foundation's governance framework to ensure that it is appropriate in terms of its size, complexity, stage of development and the Foundation's charitable purposes.

The trustees provide strategic oversight, supports the Foundation in respect of performance and impact and is responsible for the Foundation's risk management framework.

Whilst some matters are reserved for the trustees and cannot be delegated, day-to-day operations of the Foundation have been delegated to the management team. In line with best practice, the trustees have approved the delegation framework in a Scheme of Delegation which is routinely reviewed.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

d. Organisational structure and decision-making policies (continued)

The Foundation is supported by an advisory board which uses its expertise to act as both 'challenger' and 'thought partner'. The advisory board does not have any decision-making powers.

e. Policies adopted for the induction and training of trustees

On appointment, trustees are formally inducted to the Foundation by attending onboarding sessions with the management team and key functions including Programmes, Legal, Finance and Impact. New trustees are provided with copies of key documents relevant to the Foundation such as the latest financial statements, the conflicts of interest policy, the risk management framework and the current strategic plans.

f. Remuneration policy

The Foundation is proud to operate as a lean and agile team with a bold mission. The Foundation's remuneration policies and practices are designed to support and promote its long-term success and the delivery of its ambitious strategy.

It conducts annual reviews of employee pay (including those defined as key management personnel), benchmarking salaries against roles globally, across both the private and non-profit sectors, to inform salary bands approved by the trustees. Understanding that attracting, retaining, and motivating top global talent is critical to the Foundation's success, the trustees ensure competitive and market-facing compensation.

In addition, all employees enjoy a comprehensive set of benefits aimed at supporting their health and wellbeing. The Foundation will be conducting a review of its approach to compensation in 2024.

g. Related party relationships

The Foundation receives funding and other contributions from Quadrature. Two of the Foundation's trustees are directors of Quadrature. The Foundation's trustees act in the best interests of the charity.

h. Risk management

The trustees identify and assess the major risks to which the Foundation is exposed, including risks relating to the Foundation's programmes and grantees, the Foundation's people, operations and finances as well as external factors such as its reputation and the environment in which it operates. The trustees are satisfied that systems and procedures are in place to mitigate exposure to the major risks including the establishment of a risk framework, identification, assessment, mitigation, and monitoring of the major risks through an organisational risk register in which risks are categorised and ranked according to likelihood and impact. The risk register also includes actions to be taken to mitigate and manage risk, including designating an accountable person to manage each risk.

i. Trustees' indemnities

In accordance with the Foundation's articles of association, the trustees are entitled to benefit from trustee indemnity insurance and may receive an indemnity from the Foundation under certain circumstances.

j. Grantmaking

The trustees approve the business plan which identifies strategic areas for grantmaking, ensuring the Foundation's activities represent an appropriate use of the Foundation's funds in line with the Foundation's charitable objectives. Priorities for support are reviewed annually.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

j. Grantmaking (continued)

The Foundation makes grants to a range of organisations including registered UK and overseas charities as well as universities and for-profits where appropriate. Grants are awarded on an 'invitation to apply' only basis. All grant applications are subject to a rigorous due diligence process.

The trustees ensure proper governance through a comprehensive scheme of delegation.

The Foundation's programme and science teams use their existing networks and develop new networks within the approved strategic area to identify potential grantees. The programme and science teams work with grantees to refine their proposals and officially 'invite to apply' via the Foundation's grants management system, ensuring a uniform and transparent formal application and due diligence process.

All grants are processed by the Foundation's experienced grant management team and supported and reviewed by the in-house legal and finance teams. Active grants are managed by the grants management and programme and science teams.

k. Volunteers

The Foundation does not use volunteers to deliver any services or in support of its grantmaking activities.

l. Main activities undertaken to further the Foundation's purposes for the public benefit

The Foundation's primary activity is grantmaking to climate charities and non-profits. The Foundation also engages with other philanthropic entities and their networks to exchange views and best practice. The Foundation may from time-to-time host or support convenings where they further the Foundation's charitable objectives.

QUADRATURE CLIMATE FOUNDATION
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 DECEMBER 2023

| | |
|--------------------------|--|
| Trustees | G H Skinner S Setiya N Cosgrove J Hooke (resigned 15 December 2022, reappointed 2 April 2024) |
| Registered Office | 10 Queen Street Place London EC4R 1AG |
| Trading Office | Uncommon Liverpool Street 34-37 Liverpool Street London EC2M 7PP |
| Company number: | 12194319 |
| Charity number: | 1187301 |
| Auditors | Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG |
| Bankers | Barclays Plc 1 Churchill Place London E14 5HP UBS Wealth Management 5 Broadgate London EC2M 2AN |

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Foundation 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 Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and for taking reasonable steps to prevent and detect fraud and other irregularities.

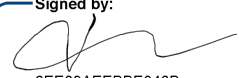
So far as each of the trustees is aware at the time this report is approved:

- there is no relevant audit information of which the Foundations auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Haysmacintyre LLP has expressed its willingness to continue in office as auditors and a resolution proposing its re-appointment will be submitted at the appropriate Trustee meeting.

Approved by order of the members of the board of trustees on 9 July 2024 and signed on their behalf by:

Signed by:

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Jennifer Hooke
Trustee

Date: 7/11/2024

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

Independent auditor's report to the members of Quadrature Climate Foundation

Opinion

We have audited the financial statements of Quadrature Climate Foundation for the period ended 31 December 2023 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the Foundation's affairs as at 31 December 2023 and of the Foundation's net movement in funds, including the income and expenditure, for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and 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 strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Foundation and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the Foundation; or
- the Foundation financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the Foundation for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Based on our understanding of the Foundation and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities SORP (2019) and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of grant expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing the controls and procedures of the charity, including during the Covid-19 remote working period;
- Reviewing minutes of trustees' meetings;
- Identifying and testing journals, in particular journal entries posted around the year-end; and

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

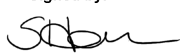
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Signed by:

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Siobhan Holmes
For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 7/16/2024

10 Queen Street Place
London
EC4R 1AG

QUADRATURE CLIMATE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2023

| | Note | 18 Months Ended 31 December 2023 | 12 Months Ended 30 June 2022 |
|------------------------------------|------|---|---------------------------------------|
| | | £ | £ |
| Income from: | | | |
| Donations and legacies | 2 | 269,721,626 | 130,258,175 |
| Interest | | 139,179 | 6 |
| Total income | | <u>269,860,805</u> | <u>130,258,181</u> |
| Expenditure on: | | | |
| Charitable activities | | 246,830,765 | 127,197,792 |
| Other expenditure | 4 | 9,549,955 | 3,129,901 |
| Total expenditure | | <u>256,380,720</u> | <u>130,327,693</u> |
| Net movement in funds | | <u>13,480,085</u> | <u>(69,512)</u> |
| Reconciliation of funds: | | | |
| Reconciliation of funds: | | | |
| Total funds brought forward | | 7,814,273 | 7,883,785 |
| Net movement in funds | | 13,480,085 | (69,512) |
| Total funds carried forward | | <u>21,294,358</u> | <u>7,814,273</u> |

All of the Charity's funds in both the current and prior year were unrestricted.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 17 to 26 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION**BALANCE SHEET****FOR THE PERIOD ENDED 31 DECEMBER 2023****Company number: 12194319**

| | Note | 31 December 2023 £ | 30 June 2022 £ |
|---|------|--------------------------|----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 8 | 49,885 | 14,198 |
| Current assets | | | |
| Debtors | 9 | 368,759 | 71,520 |
| Cash at bank and in hand | | 27,482,508 | 9,089,746 |
| | | 27,851,267 | 9,161,266 |
| Creditors: amounts falling due within one year | 10 | (6,606,794) | (1,361,191) |
| Net current assets | | 21,244,473 | 7,800,075 |
| Total assets less current liabilities | | 21,294,358 | 7,814,273 |
| Total net assets | | 21,294,358 | 7,814,273 |
| Charity funds | | | |
| Unrestricted funds | | 21,294,358 | 7,814,273 |
| Total funds | | 21,294,358 | 7,814,273 |

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the financial statements.

These financial statements were approved and authorised for issue by the trustees on 9 July 2024 and signed on its behalf by:

Signed by:

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Jennifer Hooke
 Trustee

The notes set out on pages 17 to 26 form an integral part of these financial statements.

QUADRATURE CLIMATE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023

| | Note | 18 Months Ended 31 December 2023 £ | 12 Months Ended 30 June 2022 £ |
|--|------|--|--|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 11 | 27,482,508 | 9,089,746 |
| | | <u> </u> | <u> </u> |
| Change in cash and cash equivalents in the reporting period | | 18,392,762 | 6,360,852 |
| | | <u> </u> | <u> </u> |
| Cash and cash equivalents at the end of the period | | 27,482,508 | 9,089,746 |
| | | <u> </u> | <u> </u> |

Cash and cash equivalents comprise solely cash at bank and in hand for both the current and prior period.

The notes on pages 17 to 26 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared covering the 18-month period from 1 July 2022 to 31 December 2023, compared to the prior reporting period of 1 July 2021 to 31 June 2022. As a result, the amounts presented in the financial statements are not comparable. The financial reporting period will be a 12-month period from 1 January to 31 December going forwards, to align with the calendar year.

The financial statements have been prepared in accordance of with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practise applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Quadrature Climate Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going Concern

After making appropriate enquiries, the trustees have a responsible expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Company and which have not been designated for the other purposes.

1.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Tangible fixed assets will only be capitalised if the asset is £1,000 or over.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| | |
|------------------|-----------|
| Office Equipment | - 4 years |
|------------------|-----------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

1.11 Critical accounting judgements or estimation

The trustees do not consider there to be any significant judgements or sources of estimation uncertainty in relation to the preparation of the financial statements.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.12 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Notice period payments

Notice period payments are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the charity committed to either terminate the employment of an employee or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The charity considers it is committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

1.14 Foreign currency translation

The Foundations' functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency and monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

2. Income from donations and legacies

| | Total Funds 18 Months Ended 31 December 2023 £ | Total Funds 12 Months Ended 30 June 2022 £ |
|-----------|---|---|
| Donations | 269,721,626 | 130,258,175 |
| | <u>269,721,626</u> | <u>130,258,175</u> |

3. Analysis of Grants

| | Grants to Institutions 18 Months Ended 31 December 2023 £ | 18 Months Ended 31 December 2023 £ | Total Funds 12 Months Ended 30 June 2022 £ |
|-------------|--|---|---|
| Grants made | 246,830,765 | 246,830,765 | 120,501,460 |
| | <u>246,830,765</u> | <u>246,830,765</u> | <u>120,501,460</u> |

During the year, the Foundation made grants in excess of £750,000 (2022: £750,000) to the following institutions:

| | 18 Months Ended 31 December 2023 £ | 12 Months Ended 30 June 2022 £ |
|---|---|---|
| Agfood Future Foundation | 1,669,398 | - |
| Anthropocene Fixed Income Institute | 1,730,769 | - |
| Arctic Basecamp | 1,696,946 | 1,297,664 |
| Boston University | 869,692 | - |
| BRM Futures | 2,972,903 | 2,644,373 |
| Canopy Planet Society | 2,132,992 | 1,000,000 |
| Carbon Gap | 1,320,000 | - |
| Carbon Tracker Initiative | 769,231 | 769,232 |
| Center for Climate and Energy Solutions | 857,594 | 1,337,232 |
| Centre for Investigative Journalism | 1,313,544 | - |
| Centre for Research on Energy and Clean Air | 928,367 | - |
| Subtotal carried forward | 16,261,436 | 7,048,501 |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

3. Analysis of Grants (continued)

| | | |
|--|--------------------|-------------------|
| Brought forward | 16,261,436 | 7,048,501 |
| Clean Air Task Force Inc | 2,200,000 | 1,241,875 |
| Climate Breakthrough | 2,734,631 | - |
| Climate Policy Radar CIC | 845,000 | 1,155,000 |
| Climate Subak | - | 1,640,500 |
| ClimateWorks Foundation | 24,013,131 | 11,794,742 |
| Count Us In (LQ Foundation) | 2,000,000 | 1,000,000 |
| Earth Island Institute | 1,742,643 | - |
| Ember | 2,487,692 | - |
| Energy Foundation | 1,620,457 | 1,475,557 |
| Environmental Leadership Australia | 1,761,342 | 1,300,000 |
| European Climate Foundation | 12,487,341 | 4,019,514 |
| Finance Watch | - | 1,293,104 |
| Fondation Pour l'institut De Hautes Etudes Internationales Et Du Developpement | 835,111 | - |
| Foundation For International Law for The Environment | 6,189,858 | 9,086,630 |
| Future Earth International | 1,602,877 | - |
| Global Energy Monitor | 1,161,890 | 1,047,357 |
| Global Greengrants Fund | 994,889 | 910,411 |
| Global Witness | - | 1,000,000 |
| Grantham Foundation | 27,824,656 | - |
| Green Finance Institute | 2,098,898 | 1,454,231 |
| Greenmap | 1,911,987 | 1,986,949 |
| Growald Family Fund | 20,103,321 | 3,210,666 |
| Institute for Climate and Society | 1,191,725 | 2,103,425 |
| Institute for Energy Economics and Financial Analysis Inc | 1,462,123 | 1,293,632 |
| Instituto del Bien Comun | 1,071,678 | 886,413 |
| International Council On Clean Transportation | - | 840,148 |
| Make My Money Matter | - | 812,500 |
| Market Forces | 1,291,157 | - |
| Media Bounty | 1,375,000 | - |
| Mighty Earth | 2,358,517 | 1,235,523 |
| Potential Energy Coalition | 2,807,713 | - |
| Project Tempo | 1,615,487 | - |
| Regulatory Assistance Project | 1,700,266 | - |
| RePlanet | - | 833,479 |
| Rights And Resources Institute Inc | 1,646,111 | - |
| Rockefeller Philanthropy Advisors (CECG) | 6,647,514 | 794,780 |
| Rocky Mountain Institute | 2,004,517 | - |
| Spark Climate Solutions | 4,950,242 | - |
| Stand Earth | 1,916,059 | 1,640,795 |
| Stitching SED Fund | 19,706,313 | 12,691,862 |
| The African Climate Foundation | 4,693,071 | 1,445,087 |
| The Centre for Innovation In Voluntary Action | 1,300,000 | - |
| The Climate Subak CIC | 1,610,125 | - |
| The Embankment Institute | 2,510,103 | - |
| The Good Food Institute | 1,616,044 | 1,520,832 |
| The Sunrise Institute | 7,617,457 | - |
| Third Way Institute | 1,642,425 | 1,896,311 |
| TransitionZero | 1,900,000 | - |
| Transport & Environment | 1,364,000 | - |
| Subtotal carried forward | 206,874,807 | 78,659,824 |

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

3. Analysis of Grants (continued)

| | | |
|--|--------------------|--------------------|
| Brought forward | 206,874,807 | 78,659,824 |
| United Nations Office for Project Services | 824,198 | 1,476,749 |
| University College London | 1,034,764 | - |
| University of Cambridge | - | 1,033,682 |
| University of Oxford | 1,676,568 | 1,414,776 |
| WePlanet | 771,433 | 1,542,865 |
| Windward Fund | 9,451,778 | 10,941,203 |
| Woodwell Climate Research Center | 4,284,588 | 2,623,934 |
| World Economic Forum | 3,040,397 | - |
| World Resources Institute | 4,197,100 | 2,548,798 |
| WWF | 1,400,000 | 1,400,000 |
| Other grants to institutions | 13,275,132 | 18,859,629 |
| | 246,830,765 | 120,501,460 |

The Foundation has entered into commitments that may result in further grants totalling £95,433,714 (2022: £126,675,645) being paid to institutions in future years. These payments are subject to criteria that need to be satisfied by the recipient and are dependent on the Foundation having appropriate funds available to finance them. All future payments are subject to the Foundation's discretion and, as such, liabilities for these grants have not been recognised at 31 December 2023.

4. Other expenditure

| | Total Funds 18 Months Ended 31 December 2023 £ | Total Funds 12 Months Ended 30 June 2022 £ |
|-------------------------------|---|---|
| Admin expenses | 1,901,350 | 443,027 |
| Finance costs | 8,124 | 2,907 |
| Rent | 1,142,119 | - |
| Foreign Exchange Gain | (270,834) | (31,012) |
| Consulting Fees | 846,776 | 471,220 |
| Legal and professional fees | 488,746 | 145,734 |
| Wages and Salaries | 4,456,234 | 1,711,816 |
| Employer's National Insurance | 570,774 | 227,254 |
| Pension costs | 143,866 | 88,361 |
| Other staff costs | 243,912 | 65,202 |
| Depreciation | 18,888 | 5,392 |
| | 9,549,955 | 3,129,901 |

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

5. Auditors' remuneration

| | 18 Months Ended 31 December 2023 | 12 Months Ended 30 June 2022 |
|---|---|---|
| Legal and professional fees (note 4) include the following: | | |
| | £ | £ |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 27,600 | 19,740 |
| Fees payable to the Company's auditor in respect of: All non-audit services not included above | <u>34,860</u> | <u>25,980</u> |

6. Staff costs

| | 18 Months Ended 31 December 2023 | 12 Months Ended 30 June 2022 |
|--|---|---|
| | £ | £ |
| Wages and salaries | 4,456,234 | 1,711,816 |
| Social security costs | 570,774 | 227,254 |
| Contribution to defined contribution pension schemes | 143,866 | 88,361 |
| | <u>5,170,874</u> | <u>2,027,431</u> |

Included in the above are multiple notice period payments totalling £1,008,659 for the 18-month period ended 31 December 2023 (and £534,967 for the 12-month period ending 30 June 2022).

The average number of persons employed by the Company during the period was as follows:

| | 18 Months Ended 31 December 2023 | 12 Months Ended 30 June 2022 |
|-----------|---|---|
| | £ | £ |
| Employees | <u>15</u> | <u>12</u> |

As at 31 December 2023, the number of persons employed by the Company was 19.

QUADRATURE CLIMATE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2023****6. Staff costs (continued)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| Salary bands for relevant period | 18 Months Ended 31 December 2023 | 12 months Ended 30 June 2022 |
|---|---|---|
| £70,001 - £80,000 | 2 | 3 |
| £80,001 - £90,000 | 1 | 1 |
| £90,000 - £100,000 | - | 1 |
| £100,001 - £110,000 | - | 1 |
| £110,001 - £120,000 | 2 | - |
| £130,001 - £140,000 | - | 1 |
| £140,001 - £150,000 | 3 | - |
| £150,001 - £160,000 | 1 | - |
| £160,001 - £170,000 | 1 | - |
| £170,001 - £180,000 | 1 | 1 |
| £200,001 - £210,000 | 1 | - |
| £220,001 - £230,000 | 1 | - |
| £270,001 - £280,000 | 1 | - |
| £280,001 - £290,000 | 1 | - |
| £440,001 - £450,000 | - | 1 |
| £520,001 - £530,000 | - | 1 |
| £570,001 - £580,000 | 1 | - |
| £1,420,001 - £1,430,000 | 1 | - |
| | <u>1</u> | <u>3</u> |

Key management personnel compensation totalled £3,626,865 during the 18-month period ended 31 December 2023 (and £1,326,598 for the 12-month period ending 30 June 2022).

7. Trustees remuneration and expenses

During the period, no trustees received any remuneration or other benefits.

During the period ended 31 December 2023 £nil (year ended 30 June 2022, £7,974) worth of Trustee expenses have been incurred.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

8. Tangible fixed assets

| | Office Equipment £ | Total £ |
|---|-----------------------------------|-------------------------------|
| Cost | | |
| At 30 June 2022 | 22,684 | 22,684 |
| Additions | 54,575 | 54,575 |
| Disposal | - | - |
| At 31 December 2023 | <u>77,259</u> | <u>77,259</u> |
| Depreciation | | |
| At 30 June 2022 | 8,486 | 8,486 |
| Charge for the period | 18,888 | 18,888 |
| At 31 December 2023 | <u>27,374</u> | <u>27,374</u> |
| Net Book Value | | |
| At 30 June 2022 | <u>14,198</u> | <u>14,198</u> |
| At 31 December 2023 | <u>49,885</u> | <u>49,885</u> |
| 9. Debtors | 31 December 2023 £ | 30 June 2022 £ |
| Due within one year | | |
| Prepayments and accrued income | 155,810 | 70,367 |
| Other Debtors | 212,949 | 1,153 |
| | <u>368,759</u> | <u>71,520</u> |
| 10. Creditors: Amounts falling due within one year | 31 December 2023 £ | 30 June 2022 £ |
| Trade creditors | 134,523 | 975,475 |
| Other creditors | 60,173 | 40,217 |
| Accruals and deferred income | 6,412,099 | 345,499 |
| | <u>6,606,795</u> | <u>1,361,191</u> |

Details of future grant commitments are given in note 3 to the accounts.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

11. Reconciliation of net movement in funds to net cash flow from operating activities

| | 31 December 2023 £ | 30 June 2022 £ |
|--|-----------------------------------|-------------------------------|
| Net income for the period (as per Statement of Financial Activities) | 13,480,085 | (69,512) |
| Adjustments for: | | |
| Depreciation charged | 18,888 | 5,392 |
| Purchase of tangible fixed assets | (54,575) | (6,706) |
| Disposal of tangible fixed assets | - | - |
| Increase in debtors | (297,239) | 2,720,121 |
| Increase/(decrease) in creditors | 5,245,603 | 79,599 |
| Net cash provided by operating activities | 18,392,762 | 2,728,894 |

12. Pension Commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the scheme and amounted to £143,866 (2022: £88,361). At 31 December 2023 contributions of £28,317 (June 2022: £8,361) were unpaid and included in other creditors.

13. Related party transactions

During the period, donations of £269,721,626 (June 2022: £130,258,175) were received from Quadrature, a Company controlled by two of the Foundation's trustees. Expenditure of £Nil (June 2022: £11,453) was incurred by Quadrature on behalf of the Foundation and recharged at cost. A total of £31,855 (June 2022: £31,855) was due to Quadrature at the period end and is included in creditors (note 10).

QUADRATURE CLIMATE FOUNDATION

England & Wales - Charity number 1187301

Accounts

QUADRATURE CLIMATE FOUNDATION
(a charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Company Number 12194319
Charity Number 1187301

QUADRATURE CLIMATE FOUNDATION
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2022

Trustees

G H Skinner
S Setiya
N Cosgrove
J Hooke (resigned 15 December 2022)

Registered Office

The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AB

Company number:

12194319

Charity number:

1187301

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers

Barclays Plc
1 Churchill Place
London
E14 5HP

UBS Wealth Management
5 Broadgate
London
EC2M 2AN

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report and the audited financial statements of Quadrature Climate Foundation for the year ended 30 June 2022. The trustees confirm that the annual report and financial statements of Quadrature Climate Foundation comply with current statutory requirements, the governance requirements of Quadrature Climate Foundation and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Charity Governance Code

The trustees have reviewed the Charity Governance Code and specifically note the clarity that the seven principles bring to board development, ongoing review and effective governance.

b. Constitution

Quadrature Climate Foundation ("the Foundation") is registered as a charitable company limited by guarantee and was set up by a Trust deed. The Foundation was registered as a charity on 10 January 2020.

c. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

d. Organisational structure and decision-making policies

The Board of Trustees meet on a regular basis to provide oversight to the operations and good governance of the Foundation.

The trustees delegate day-to-day operations to the Foundation director(s) and COO. All permanent staff are employed by the Foundation and a Service Level Agreement exists between the Foundation and Quadrature Capital Ltd for additional services that may be provided to support the day-to-day operations of the Foundation. These include legal, finance and personnel support.

The trustees delegate decision making in accordance with a Grant Making Policy that is reviewed annually. This details the priorities for support, the grant making criteria and principles along with the delegated criteria for grant approval. In addition, it stipulates the grant application process, due diligence principles and conditions for monitoring and reporting. There is also clear direction on any clawback and repayment criteria.

Grant making and due diligence are then detailed in separate policies which are reviewed and approved by the Board of Trustees.

e. Policies adopted for the induction and training of Trustees

Upon appointment, trustees are required to familiarise themselves with Charity Commission and HMRC guidance relating to charitable organisations, and in particular:

- "The Essential Trustee (CC3)",
- corporate foundations, and
- payments by charities to overseas bodies.

The trustees are also required to understand and apply the Foundation's policies and procedures, including the Grant Making Policy.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

f. Pay policy for key management personnel

The Foundation benchmarks staff pay within the sector and reviews pay on an annual basis. The Board of Trustees recognise that attracting and retaining high quality staff is essential to the success of the organisation. In addition, all staff are given access to a wide range of benefits that are designed to support employee well-being, health and alignment with the corporate social responsibility aims of the organisation. Remuneration for Director(s) is delegated to two Directors (Greg Skinner and Suneil Setiya), such delegation is approved by the full Board of Trustees.

g. Related party relationships

The Foundation receives funding and other contributions from Quadrature Capital Ltd ("QCL") and two of the trustees are directors of QCL. Nevertheless, the trustees always act in the best interests of the charity. They have considered the factors listed in the Charity Commission's guidance in relation to demonstrating the charity's independence from QCL and are satisfied that the Foundation meets these requirements.

The Foundation makes grants to institutions where trustees of those institutions may include Trustees and Director(s) of the Foundation. The Grant Making Policy and due diligence procedures ensure all necessary checks and controls are undertaken and there is clear oversight of the process which ensures any potential conflicts of interest are identified and highlighted.

h. Risk management

The trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Foundation has a formal risk management process whereby a full and detailed review of all possible major risks to the charity are categorised with an associated control activity to mitigate the risk and are ranked according to likelihood and impact to the charity for review by the trustees.

i. Trustees' indemnities

In accordance with the Foundation's Articles of Association, the trustees are entitled to benefit from trustee indemnity insurance and may receive an indemnity from the Foundation under certain circumstances.

j. Diversity and inclusion

The Foundation is a responsible and equal opportunities employer with generous terms and conditions of employment and access to a range of benefits and flexible working patterns. The Foundation provides a safe working environment and has active policies in place regarding fair and equal treatment of all staff.

The Foundation actively and rigorously pursues a policy of diversity in recruitment.

This approach supports good governance and the delivery of the Foundation's charitable purposes.

k. Grant making policies

The trustees have approved a comprehensive Grant Making Policy that is reviewed at least annually. The policy sets out the principles, criteria and processes that govern how the Foundation makes grants across all fund types. It also provides information for those applying for grants.

The trustees further ensure proper governance through clear grant making criteria, grant making principles (ensuring that the wishes of trustees are followed) and through a clear grant making process. They also set out priorities for support that are reviewed each year. In addition, grants may be made that fall outside of the priorities provided that the trustees are satisfied that the activity supported will be charitable in law and is an appropriate use of the Foundation funds.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

k. Grant making policies (continued)

In addition, the trustees set out a clear scheme of delegation for grant contract approval, ensuring that they retain oversight whilst ensuring that the Foundation is agile and responsive.

Grants are awarded on an 'invitation to apply' only basis.

Trustees may be involved with other not for profit organisations who may be in receipt of grants made by the Foundation. All grant applications are subject to a rigorous due diligence process in accordance with the Grant Making Policy and any relationships are fully disclosed.

l. Volunteers

The Foundation does not use volunteers to deliver any services or in support of grant making activities.

m. Main activities undertaken to further the Company's purposes for the public benefit

The Foundation's primary activities are research and grant-making. The Foundation also engages with other philanthropic entities and their networks to exchange views and best practice.

n. The environment

The trustees are committed to ensuring the Foundation minimises its environmental impact in line with its charitable objectives.

OBJECTIVES AND ACTIVITIES

a. Objective and activities

The Foundation was founded by Greg Skinner and Suneil Setiya, the co-CEOs and founders of QCL, and registered as a charity on 10 January 2020. Its primary focus is on making grants to organisations and individuals who work on issues relating to the mitigation of climate change and the promotion of sustainable development.

The Foundation does not seek applications for grants and will generally not make grants in response to unsolicited applications.

b. Policies and objectives

The Foundation's objectives are the promotion of sustainable development by:

- The protection, preservation and improvement of the environment and the prudent use of resources, and
- The promotion of sustainable means of achieving economic growth and regeneration.

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The Foundation maintains a full set of policies that ensure compliance with all relevant legislative requirements, protect staff and grantees and provide the trustees with assurances that the Foundation is well run and that all risks are appropriately managed.

Alongside a Grant Making Policy, the Foundation maintains amongst others, safeguarding, data protection, bribery, anti-corruption and money laundering and due diligence policies.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

c. Strategies for achieving objectives

The trustees have set the current focus of the Foundation to be on mitigation of global climate change and the promotion of sustainable development globally.

Within this broad topic, the Foundation is a dispassionate, entrepreneurial attempt to urgently reduce greenhouse gases. Three areas drive the Foundation's grant making:

- Driving big impact by taking a systems change approach, leveraging the Foundation's funding and keeping an eye on both the long and the short term,
- Capacity building so that the sector can strengthen as a whole, that synergies are leveraged within and across strategies, and that new capabilities are developed and shared, and
- Experimenting to find interventions through a recognition that the potential pathways for sustainable economic growth and the preservation of the environment are multiple and multi-faceted. Therefore the Foundation experiments within its strategy by granting across multiple approaches and perspectives, making parallel investments, and then compounding or cutting as tactics succeed or fail.

The Foundation has prioritised three sectors which make significant ongoing contribution to greenhouse gases and where philanthropic funding can tip the balance: the power transition from coal to clean not via gas, taking oil out of transport on road sea and air, and shifting towards climate positive food and agricultural systems.

The Foundation also recognises that a sector by sector, policy by policy approach will not achieve the speed of action needed given the time remaining for systemic change. A political shift is needed, with a cultural shift and a financial shift to support accelerated action and delivery of commitments towards less than 1.5 degrees of warming. The Foundation has therefore prioritised three cross cutting levers on strengthening policy and changing politics on climate, reaching and engaging audiences through persuasion and communication, and shifting financial flows and driving accountability.

The Foundation has from the start had a learning-by-doing approach which has aimed to be thorough but opportunistic as the trustees seek to build up the Foundation and its granting portfolio. The Foundation recognises the need to provide multi-year support within the sector and the trustees have prioritised multi-year granting in the Foundation's portfolio.

d. Activities undertaken to achieve objectives

In order to achieve the objectives of the organisation, the trustees have appointed a leadership team that collectively bring the skills and experience required to deliver a strong, resilient and effective organisation.

The focus in these first years of the Foundation is to build a core team, develop a research and knowledge base that can inform grant making decisions, and to make effective grants as quickly as possible. The organisation is developing a robust and resilient business model to enable effective grant delivery and evaluation with an emphasis on timely benchmarking, evaluation and learning.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

STRATEGIC REPORT

This year is the Foundation's second full year of grant making since its inception in 2019. It reflects Quadrature Climate Foundation's successful start as a Foundation as it has gone through a period of significant growth and learning. Over the initial phase of the Foundation's grant making, the organisation was able to ramp up capacity and operations to be able to deliver significant commitments across the sector. At the end of the Foundation's second full financial year, the charity is in a position to respond both to the urgent need for funds to support work to combat climate change as well as be able to handle increased funding capacity.

The trustees outlined a strategic roadmap for the Foundation in Autumn of 2020 but continues to be on a path of learning as its capacity, and network increase.

Achievements and performance

a. Main achievements

During the second full year of operations, the Foundation focused a significant amount of effort on providing support to enable a successful COP26. This included grants that enabled increased capacity in the UK Government COP office, support to convening and also enabling delegates to attend.

The strategic direction for the Foundation during this period continued to be focused on:

Sectors: Reduce emissions from key sectors

- Power transition: accelerating the shift from coal to clean not via gas using all pragmatic pathways in a technologically inclusive manner,
- Transport: taking oil out of transport on road, sea and air through appropriate electrification, shifts in mobility and adoption of zero carbon fuels, and
- Food and Agricultural systems: shifting diets, agriculture and supply chains to be low emissions or climate positive.

Lever: Accelerate action through systemic shifts

- Policy and politics: strengthening climate in international, multilateral and bilateral processes, and ensuring political will to support action at a national level,
- Persuasion and communication: broadening the audience and deepening engagement on climate and climate related issues, and
- Finance and financial levers: shifting financial flows away from polluting assets towards sustainable investments; and using finance to drive accountability and action.

The Foundation has continued to assess a third dimension to its strategy, building on its initial grant making on carbon markets to look at the risk of tipping points, scaling removals, and the governance and understanding around solar radiation modification and other 'repair' techniques.

b. Key performance indicators

The Foundation sets measurements across a number of key areas to ensure that its grant making operations are effective and efficient. The trustees have prioritised the Foundation's work on climate due to the urgency of the challenge, and the Foundation has set up its grant making to utilise funds swiftly and flexibly to support the core purpose of the Foundation.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

c. Review of activities

Having achieved a significant and sustained increase in grantee contracting and disbursements, post COP26, the Foundation decided to pause new grant making in order to reflect on the impact its grant making made to date and to evaluate performance against its strategic objectives by performing a portfolio review. This was a deliberate intervention, supported by the trustees.

The objective of the portfolio review was to ensure that the Foundation continues to be in a position to provide maximum benefit to the sector and to ensure that any funds deployed continue to provide the greatest opportunity of successfully addressing the climate change emergency.

Whilst the portfolio review took place, the Foundation continued to manage the existing grantee portfolio, award grant extensions and renewals as well as selectively choosing new grantees where there was a clear indication that such grants would be likely to have a positive impact on the climate crisis.

Concurrently, the Foundation undertook a third party led review of all its re-granters in order to determine the most effective way of working with the re-granter community in the future.

d. Plans for the future

The Foundation has grown at a significant rate and the granting quantum that is likely to be made available in coming years is at the upper end of projected growth assumptions. The portfolio review will inform the future strategic direction and allow the trustees to ensure that all grant making maximises the potential impact on the climate emergency by:

- Adjusting its structure as appropriate based upon the outcomes of the portfolio review,
- Strengthening processes and focus on management of portfolio,
- Identifying opportunities for further exploitation of technology to improve grant making, grant reviews, portfolio analysis and provision of business intelligence, and
- Identifying where it may be appropriate to review governance to ensure that the trustees collectively have the skills and experience to guide and support the Executive as the Foundation continues to grow.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The Foundation has been in the fortunate position with Covid-19 having a minimal or no impact on its donations and grant making activities. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The Foundation will, at all times, ensure that there is a minimum level of reserves available to sufficiently cover future operational expenditure. A QCL donation for the following financial year's operational budget (including a contingency) is made prior to the commencement of the financial year.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

b. Reserves policy (continued)

At any point in the financial year additional donations are made by QCL at the request of the Foundation for additional unbudgeted operational expenditure. All reserves are unrestricted.

The Foundation obtains QCL donations for any grant payments made and through this mechanism it is ensured that sufficient reserves are maintained to cover future operational expenditure.

Total reserves are £7,814,273 (2021: £7,883,785). Free unrestricted reserves are calculated by taking unrestricted reserves and deducting fixed assets. At 30 June 2022, free unrestricted reserves were £7,800,075 (2021: £7,870,901).

c. Financial results

The Foundation ended the year with a deficit of £69,512 in the financial year (2021: £1,391,024 surplus). The statement of financial activities shows that the total income for the year amounted to £130,258,181 (2021: £60,263,812) and total expenditure of £130,327,693 of which expenditure on charitable activities was £127,197,792 (2021: £58,872,788, of which expenditure on charitable activities was £56,879,128).

d. Material financial investments

The Foundation does not currently hold any material investments. Any future investments will be approved by the trustees only after obtaining such advice from a financial expert as the trustees consider necessary and having regard to the suitability of investments and the need for diversification.

e. Principal risks and uncertainties

The Foundation mitigates this risk by granting in arrears against known donations. The Foundation has clear communication with QCL which includes letters of agreement setting out future donation levels.

The principal risk is an economic downturn for QCL leading to a reduction in future funding.

In addition to the principal risk, the Foundation has identified the following risks and uncertainties:

- Failure to fulfil grant commitments in an efficient and timely manner which may place undue stress on grantees due to slow processes and inadequate resourcing. This risk has been mitigated by the introduction of a grant management system which has automated the grant making process and now includes workflows such as prompts to grantees to fill in donation requests. The Foundation actively reviews staffing to identify if recruitment is required to ensure there is adequate resourcing,
- Inability to recruit staff of the required calibre to vacant positions in time to create capacity levels required to deliver against the granting ambition. The Foundation mitigates this risk by proactive recruitment planning and partnering with the most appropriate recruitment agencies, and
- Insufficient capacity and/or skills to provide effective operational delivery with implementation of organisational development plans being unable to match demands of operational requirements. The Foundation performs regular internal reviews of organisational requirements and maintains a robust recruitment plan.

f. Financial risk management objectives and policies

The Foundation recognises that risk management is essential to its governance and to sustainable operation of its services. The trustees are responsible for ensuring that the Foundation has a sound system of internal control to safeguard its assets and funds and to ensure its assets and funds are used only in furtherance of the Foundation's objectives.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

f. Financial risk management objectives and policies (continued)

The trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Foundation has a formal risk management process whereby a full and detailed review of all possible major risks to the charity are categorised with an associated control activity to mitigate the risk and are ranked according to likelihood and impact to the charity for review by the trustees.

The trustees have established a Finance, Audit and Risk Committee to further support effective risk management for the Foundation.

g. Principal funding, fundraising activities and income generation

All principal funding is provided by QCL. The Foundation does not currently undertake any fundraising activities.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Statement of Trustees' Responsibilities

The trustees (who are also directors of Quadrature Climate Foundation 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enables 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.

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Haysmacintyre LLP has expressed its willingness to continue in office as auditors and a resolution proposing its re-appointment will be submitted at the appropriate Trustee meeting.

Approved by order of the members of the board of Trustees on 2 February 2023 and signed on their behalf by:



Suneil Setiya
Trustee

Date: 2 February 2023

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

Independent auditor's report to the members of Quadrature Climate Foundation

Opinion

We have audited the financial statements of Quadrature Climate Foundation for the year ended 30 June 2022 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and 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 strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities SORP (2019) and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of grant expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing the controls and procedures of the charity, including during the Covid-19 remote working period;
- Reviewing minutes of Trustees' meetings;
- Identifying and testing journals, in particular journal entries posted around the year-end; and

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

- Challenging assumptions and judgements made by management in their critical accounting estimates.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 1 March 2023

QUADRATURE CLIMATE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE YEAR ENDED 30 JUNE 2022

| | Note | Total 2022 £ | Total 2021 £ |
|------------------------------------|------|--------------------|--------------------|
| Income from: | | | |
| Donations and legacies | 2 | 130,258,175 | 60,263,812 |
| Interest | | 6 | - |
| Total income | | <u>130,258,181</u> | <u>60,263,812</u> |
| Expenditure on: | | | |
| Charitable activities | | 127,197,792 | 56,879,128 |
| Other expenditure | 4 | 3,129,901 | 1,993,660 |
| Total expenditure | | <u>130,327,693</u> | <u>58,872,788</u> |
| Net movement in funds | | <u>(69,512)</u> | <u>1,391,024</u> |
| Reconciliation of funds: | | | |
| Reconciliation of funds: | | | |
| Total funds brought forward | | 7,883,785 | 6,492,761 |
| Net movement in funds | | (69,512) | 1,391,024 |
| Total funds carried forward | | <u>7,814,273</u> | <u>7,883,785</u> |

All of the Charity's funds in both the current and prior year were unrestricted.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 17 to 25 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION**BALANCE SHEET**

FOR THE YEAR ENDED 30 JUNE 2022

Company number: 12194319

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible fixed assets | 8 | <u>14,198</u> | <u>12,884</u> |
| Current assets | | | |
| Debtors | 9 | 71,520 | 2,791,641 |
| Cash at bank and in hand | | <u>9,089,746</u> | <u>6,360,852</u> |
| | | 9,161,266 | 9,152,493 |
| Creditors: amounts falling due within one year | 10 | <u>(1,361,191)</u> | <u>(1,281,592)</u> |
| Net current assets | | <u>7,800,075</u> | <u>7,870,901</u> |
| Total assets less current liabilities | | <u>7,915,614</u> | <u>7,883,785</u> |
| Total net assets | | <u><u>7,814,273</u></u> | <u><u>7,883,785</u></u> |
| Charity funds | | | |
| Unrestricted funds | | <u>7,814,273</u> | <u>7,883,785</u> |
| Total funds | | <u><u>7,814,273</u></u> | <u><u>7,883,785</u></u> |

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the financial statements.

These financial statements were approved and authorised for issue by the Trustees on 2 February 2023 and signed on its behalf by:



Suneil Setiya
Trustee

The notes set out on pages 17 to 25 form an integral part of these financial statements.

QUADRATURE CLIMATE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

| | Note | 2022 £ | 2021 £ |
|--|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 11 | <u>9,089,746</u> | <u>6,360,852</u> |
| Change in cash and cash equivalents in the reporting period | | <u>9,089,746</u> | <u>6,360,852</u> |
| Cash and cash equivalents at the end of the period | | <u><u>9,089,746</u></u> | <u><u>6,360,852</u></u> |

Cash and cash equivalents comprise solely cash at bank and in hand for both the current and prior period.

The notes on pages 17 to 25 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance of with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practise applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Quadrature Climate Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going Concern

After making appropriate enquiries, the trustees have a responsible expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The trustees have considered the impact of COVID 19 and have confirmed the Foundation has not been impacted by the pandemic.

1.3 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Company and which have not been designated for the other purposes.

1.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (continued)

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Tangible fixed assets will only be capitalised if the asset is £1,000 or over.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| | |
|--------------------|-----------|
| Office Equipment | - 4 years |
| Computer Equipment | - 4 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (continued)

1.11 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.12 Critical accounting judgements or estimation

The trustees do not consider there to be any significant judgements or sources of estimation uncertainty in relation to the preparation of the financial statements.

1.13 Foreign currency translation

Functional and presentation currency

The Foundations' functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency and monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2022

2. Income from donations and legacies

| | Total Funds 2022 £ | Total Funds 2021 £ |
|-----------|-----------------------------|-----------------------------|
| Donations | 130,258,175 | 60,263,812 |
| | <u>130,258,175</u> | <u>60,263,812</u> |

3. Analysis of Grants

| | Grants to Institutions 2022 £ | Total Funds 2022 £ | Total Funds 2021 £ |
|----------------|--|--------------------------|--------------------------|
| Grants awarded | 120,501,460 | 120,501,460 | 54,061,523 |
| | <u>120,501,460</u> | <u>120,501,460</u> | <u>54,061,523</u> |

During the year the Foundation made grants in excess of £750,000 (2021: £750,000) to the following institutions:

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Arctic Basecamp | 1,297,664 | - |
| BRM Futures | 2,644,373 | - |
| Canopy Planet Society | 1,000,000 | 1,000,000 |
| Carbon Tracker Initiative | 769,232 | 1,912,938 |
| Center for Climate and Energy Solutions | 1,337,232 | - |
| Clean Air Task Force Inc | 1,241,875 | - |
| Climate Policy Radar CIC | 1,155,000 | - |
| Climate Subak | 1,640,500 | 1,749,375 |
| ClimateWorks Foundation | 11,794,742 | - |
| Count Us In (LQ Foundation) | 1,000,000 | 800,000 |
| Dutch Ecomodernism | 833,479 | - |
| Ember | - | 850,770 |
| Energy Foundation | 1,475,557 | - |
| Environmental Leadership Australia | 1,300,000 | - |
| European Climate Foundation | 4,019,514 | - |
| Finance Watch | 1,293,104 | - |
| Foundation For International Law for The Environment | 9,086,630 | 1,905,197 |
| Global Energy Monitor | 1,047,357 | - |
| Global Greengrants Fund | 910,411 | - |
| Global Witness | 1,000,000 | - |
| Green Finance Institute | 1,454,231 | - |
| Greenmap | 1,986,949 | 1,819,426 |
| Subtotal carried forward | 48,287,850 | 10,037,706 |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2022

3. Analysis of Grants (continued)

| | | |
|---|--------------------|-------------------|
| Brought forward | 48,287,850 | 10,037,706 |
| Growald Family Fund | 3,210,666 | 3,608,100 |
| ICS | 2,103,425 | 1,100,336 |
| Institute for Energy Economics And Financial Analysis Inc | 1,293,632 | - |
| Instituto del Bien Comun | 886,413 | - |
| International Council On Clean Transportation | 840,148 | - |
| Make My Money Matter | 812,500 | - |
| Mighty Earth | 1,235,523 | 943,698 |
| Replanet Vzw | 1,542,865 | - |
| Rockefeller (CECG) | 794,780 | 4,930,657 |
| Rocky Mountain Institute | - | 1,062,486 |
| Stand Earth | 1,640,795 | 1,672,559 |
| Stitching SED Fund | 12,691,862 | 5,287,594 |
| TerraPraxis | - | 1,000,000 |
| The Good Food Institute | 1,520,832 | 1,435,204 |
| The African Climate Foundation | 1,445,087 | - |
| Third Way Institute | 1,896,311 | 1,021,687 |
| TransitionZero | - | 950,000 |
| United Nations Office for Project Services | 1,476,749 | - |
| University of Cambridge | 1,033,682 | - |
| University of Oxford | 1,414,776 | - |
| Windward Fund | 10,941,203 | 2,449,391 |
| Woodwell Climate Research Center | 2,623,934 | 1,251,934 |
| World Resources Institute | 2,548,798 | 1,202,092 |
| WWF | 1,400,000 | 1,760,000 |
| Other grants to institutions | 18,859,629 | 14,348,079 |
| | <u>120,501,460</u> | <u>54,061,523</u> |

The Foundation has entered into commitments that may result in further grants totalling £126,675,645 (2021: £84,352,203) being paid to institutions in future years. These payments are subject to criteria that need to be satisfied by the recipient and are dependent on the Foundation having appropriate funds available to finance them. All future payments are subject to the Foundation's discretion and, as such, liabilities for these grants have not been recognised at 30 June 2022.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2022

4. Other expenditure

| | Total Funds 2022 £ | Total Funds 2021 £ |
|-------------------------------|---------------------------------------|---------------------------------------|
| Admin expenses | 443,027 | 45,261 |
| Finance costs | 2,907 | 480 |
| Foreign Exchange Gain | (31,012) | 25,964 |
| Consulting Fees | 471,220 | 309,983 |
| Legal and professional fees | 145,734 | 137,818 |
| Wages and Salaries | 1,711,816 | 1,182,771 |
| Employer's National Insurance | 227,254 | 155,095 |
| Pension costs | 88,361 | 55,502 |
| Other staff costs | 65,202 | 78,021 |
| Depreciation | 5,392 | 2,765 |
| | <u>3,129,901</u> | <u>1,993,660</u> |

5. Auditors' remuneration

Legal and professional fees (note 4) include the following:

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 19,740 | 18,300 |
| Fees payable to the Company's auditor in respect of: All non-audit services not included above | <u>25,980</u> | <u>9,300</u> |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2022

6. Staff costs

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Wages and salaries | 1,711,816 | 1,182,771 |
| Social security costs | 227,254 | 155,095 |
| Contribution to defined contribution pension schemes | 88,361 | 55,502 |
| | <u>2,027,431</u> | <u>1,393,368</u> |

Included in the above are notice period payments of £534,967 (2021: £nil).

The average number of persons employed by the Company during the period was as follows:

| | 2022 £ | 2021 £ |
|-----------|-----------|-----------|
| Employees | <u>12</u> | <u>8</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2022 Number | 2021 Number |
|-------------------------------|----------------|----------------|
| In the band £60,001-£70,000 | - | 1 |
| In the band £70,001-£80,000 | 3 | - |
| In the band £80,001-£90,000 | 1 | 1 |
| In the band £90,001-£100,000 | 1 | - |
| In the band £100,001-£110,000 | 1 | - |
| In the band £120,001-£130,000 | - | 1 |
| In the band £130,001-£140,000 | 1 | - |
| In the band £170,001-£180,000 | 1 | - |
| In the band £310,001-£320,000 | - | 1 |
| In the band £370,001-£380,000 | - | 1 |
| In the band £440,001-£450,000 | 1 | - |
| In the band £520,001-£530,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

Key management personnel compensation totalled £1,326,598 (2021: £958,302) during the year.

7. Trustees remuneration and expenses

During the period, no trustees received any remuneration or other benefits.

During the period ended 30 June 2022, £7,974 worth of Trustee expenses have been incurred.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2022

8. Tangible fixed assets

| | Office Equipment £ | Total £ |
|-----------------------|--------------------------|---------------|
| Cost | | |
| At 30 June 2021 | 15,978 | 15,978 |
| Additions | 6,706 | 6,706 |
| | <u>22,684</u> | <u>22,684</u> |
| At 30 June 2022 | <u>22,684</u> | <u>22,684</u> |
| Depreciation | | |
| At 30 June 2021 | 3,094 | 3,094 |
| Charge for the period | 5,392 | 5,392 |
| | <u>8,486</u> | <u>8,486</u> |
| At 30 June 2022 | <u>8,486</u> | <u>8,486</u> |
| Net Book Value | | |
| At 30 June 2022 | <u>14,198</u> | <u>14,198</u> |
| At 30 June 2021 | <u>12,884</u> | <u>12,884</u> |

9. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|---------------|------------------|
| Due within one year | | |
| Prepayments and accrued income | 70,367 | 2,791,641 |
| Other Debtors | 1,153 | - |
| | <u>71,520</u> | <u>2,791,641</u> |
| | <u>71,520</u> | <u>2,791,641</u> |

10. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|--------------------------------|------------------|------------------|
| Trade creditors | 975,475 | 69,808 |
| Other creditors | 40,217 | 29,125 |
| Accruals and deferred income | 345,499 | 36,237 |
| Grants payable – institutional | - | 1,146,422 |
| | <u>1,361,191</u> | <u>1,281,592</u> |
| | <u>1,361,191</u> | <u>1,281,592</u> |

Details of future grant commitments are given in note 3 to the accounts.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2022

11. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|--|------------------|--------------------|
| Net income for the period (as per Statement of Financial Activities) | (69,512) | 1,391,024 |
| Adjustments for: | | |
| Depreciation charged | 5,392 | 2,765 |
| Purchase of tangible fixed assets | (6,706) | (8,853) |
| Disposal of tangible fixed assets | - | 315 |
| Decrease/(increase) in debtors | 2,720,121 | (2,787,546) |
| Increase/(decrease) in creditors | 79,599 | (404,620) |
| Net cash provided by operating activities | <u>2,728,894</u> | <u>(1,806,915)</u> |

12. Pension Commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and amounted to £88,361 (2021: £55,502). At 30 June 2022 contributions of £8,361 (2021: £8,722) were unpaid and included in other creditors.

13. Related party transactions

During the period, donations of £130,258,175 (2021: £60,263,812) were received from QCL, a company controlled by two of the Foundation's trustees. Expenditure of £11,453 (2021: £16,496) was incurred by QCL on behalf of the foundation and recharged at cost. A total of £31,855 (2021: £20,402) was due to QCL at the period end and is included in creditors (note 10).

QUADRATURE CLIMATE FOUNDATION

England & Wales - Charity number 1187301

Accounts

QUADRATURE CLIMATE FOUNDATION
(a charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Company Number 12194319
Charity Number 1187301

QUADRATURE CLIMATE FOUNDATION
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2021

Trustees

G H Skinner
S Setiya
N Cosgrove
J Hooke

Registered Office

The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AB

Company number:

12194319

Charity number:

1187301

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers

UBS Wealth Management
5 Broadgate
London
EC2M 2AN

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report and the audited financial statements of Quadrature Climate Foundation for the year ended 30 June 2021. The trustees confirm that the annual report and financial statements of Quadrature Climate Foundation comply with current statutory requirements, the governance requirements of Quadrature Climate Foundation and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Charity Governance Code

The trustees have reviewed the Charity Governance Code and specifically note the clarity that the seven principles bring to board development, ongoing review and effective governance.

b. Constitution

Quadrature Climate Foundation ("the Foundation") is registered as a charitable company limited by guarantee and was set up by a Trust deed. The Foundation was registered as a charity on 10 January 2020.

c. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

d. Organisational structure and decision-making policies

The Board of Trustees meet on a regular basis to provide oversight to the operations and good governance of the Foundation.

The trustees delegate day-to-day operations to the Foundation director(s) and COO. All permanent staff are employed by the Foundation and a Service Level Agreement exists between the Foundation and Quadrature Capital Ltd for additional services that may be provided to support the day-to-day operations of the Foundation. These include legal, finance and personnel support.

The trustees delegate decision making in accordance with a Grant Making Policy that is reviewed annually. This details the priorities for support, the grant making criteria and principles along with the delegated criteria for grant approval. In addition, it stipulates the grant application process, due diligence principles and conditions for monitoring and reporting. There is also clear direction on any clawback and repayment criteria.

Grant making and due diligence are then detailed in separate policies which are reviewed and approved by the Board of Trustees.

e. Policies adopted for the induction and training of Trustees

Upon appointment, trustees are required to familiarise themselves with Charity Commission and HMRC guidance relating to charitable organisations, and in particular:

- "The Essential Trustee (CC3)",
- corporate foundations, and
- payments by charities to overseas bodies.

The trustees are also required to understand and apply the Foundation's policies and procedures, including the Grant Making Policy.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

f. Pay policy for key management personnel

The Foundation benchmarks staff pay within the sector and reviews pay on an annual basis. The Board of Trustees recognise that attracting and retaining high quality staff is essential to the success of the organisation. In addition, all staff are given access to a wide range of benefits that are designed to support employee well-being, health and alignment with the corporate social responsibility aims of the organisation. Remuneration for Director(s) is delegated to two Directors (Greg Skinner and Suneil Setiya), such delegation is approved by the full Board of Trustees.

g. Related party relationships

The Foundation receives funding and other contributions from Quadrature Capital Ltd ("QCL") and two of the trustees are directors of QCL. Nevertheless, the trustees always act in the best interests of the charity. They have considered the factors listed in the Charity Commission's guidance in relation to demonstrating the charity's independence from QCL and are satisfied that the Foundation meets these requirements.

The Foundation makes grants to institutions where trustees of those institutions may include Trustees and Director(s) of the Foundation. The Grant Making Policy and due diligence procedures ensure all necessary checks and controls are undertaken and there is clear oversight of the process which ensures any potential conflicts of interest are identified and highlighted.

h. Risk management

The trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Foundation has a formal risk management process whereby a full and detailed review of all possible major risks to the charity are categorised with an associated control activity to mitigate the risk and are ranked according to likelihood and impact to the charity for review by the trustees.

i. Trustees' indemnities

In accordance with the Foundation's Articles of Association, the trustees are entitled to benefit from trustee indemnity insurance and may receive an indemnity from the Foundation under certain circumstances.

j. Diversity and inclusion

The Foundation is a responsible and equal opportunities employer with generous terms and conditions of employment and access to a range of benefits and flexible working patterns. The Foundation provides a safe working environment and has active policies in place regarding fair and equal treatment of all staff.

The Foundation actively and rigorously pursues a policy of diversity in recruitment.

This approach supports good governance and the delivery of the Foundation's charitable purposes.

k. Grant making policies

The trustees have approved a comprehensive Grant Making Policy that is reviewed at least annually. The policy sets out the principles, criteria and processes that govern how the Foundation makes grants across all fund types. It also provides information for those applying for grants.

The trustees further ensure proper governance through clear grant making criteria, grant making principles (ensuring that the wishes of trustees are followed) and through a clear grant making process. They also set out priorities for support that are reviewed each year. In addition, grants may be made that fall outside of the priorities provided that the trustees are satisfied that the activity supported will be charitable in law and is an appropriate use of the Foundation funds.

In addition, the trustees set out a clear scheme of delegation for grant contract approval, ensuring that they retain oversight whilst ensuring that the Foundation is agile and responsive.

Grants are awarded on an 'invitation to apply' only basis.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

k. Grant making policies

Trustees may be involved with other not for profit organisations who may be in receipt of grants made by the Foundation. All grant applications are subject to a rigorous due diligence process in accordance with the Grant Making Policy and any relationships are fully disclosed.

l. Volunteers

The Foundation does not use volunteers to deliver any services or in support of grant making activities.

m. Main activities undertaken to further the Company's purposes for the public benefit

The Foundation's primary activities are research and grant-making. The Foundation also engages with other philanthropic entities and their networks to exchange views and best practice.

n. The environment

The trustees are committed to ensuring the Foundation minimises its environmental impact in line with its charitable objectives.

OBJECTIVES AND ACTIVITIES

a. Objective and activities

The Foundation was founded by Greg Skinner and Suneil Setiya, the co-CEOs and founders of QCL, and registered as a charity on 10 January 2020. Its primary focus is on making grants to organisations and individuals who work on issues relating to the mitigation of climate change and the promotion of sustainable development.

The Foundation does not seek applications for grants and will generally not make grants in response to unsolicited applications.

b. Policies and objectives

The Foundation's objectives are the promotion of sustainable development by:

- The protection, preservation and improvement of the environment and the prudent use of resources, and
- The promotion of sustainable means of achieving economic growth and regeneration.

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The Foundation maintains a full set of policies that ensure compliance with all relevant legislative requirements, protect staff and grantees and provide the trustees with assurances that the Foundation is well run and that all risks are appropriately managed.

Alongside a Grant Making Policy, the Foundation maintains amongst others, safeguarding, data protection, bribery, anti-corruption and money laundering and due diligence policies.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

c. Strategies for achieving objectives

The Trustees have set the current focus of the Foundation to be on mitigation of global climate change and the promotion of sustainable development globally.

Within this broad topic, the Foundation is a dispassionate, entrepreneurial attempt to urgently reduce greenhouse gases. Three areas drive the Foundation's grantmaking:

- Driving big impact by taking a systems change approach, leveraging the Foundation's funding and keeping an eye on both the long and the short term,
- Capacity building so that the sector can strengthen as a whole, that synergies are leveraged within and across strategies, and that new capabilities are developed and shared, and
- Experimenting to find interventions through a recognition that the potential pathways for sustainable economic growth and the preservation of the environment are multiple and multi-faceted. Therefore the Foundation experiments within its strategy by granting across multiple approaches and perspectives, making parallel investments, and then compounding or cutting as tactics succeed or fail.

The Foundation has prioritised three sectors which make significant ongoing contribution to greenhouse gases and where philanthropic funding can tip the balance: the power transition from coal to clean not via gas, taking oil out of transport on road sea and air, and shifting towards climate positive food and agricultural systems.

The Foundation also recognises that a sector by sector, policy by policy approach will not achieve the speed of action needed given the time remaining for systemic change. A political shift is needed, with a cultural shift and a financial shift to support accelerated action and delivery of commitments towards less than 1.5 degrees of warming. The Foundation has therefore prioritised three cross cutting levers on strengthening policy and changing politics on climate, reaching and engaging audiences through persuasion and communication, and shifting financial flows and driving accountability.

The Foundation has from the start had a learning-by-doing approach which has aimed to be thorough but opportunistic as the trustees seek to build up the Foundation and its granting portfolio. The Foundation recognises the need to provide multi-year support within the sector and the trustees have prioritised multi-year granting in the Foundation's portfolio.

d. Activities undertaken to achieve objectives

In order to achieve the objectives of the organisation, the trustees have appointed a leadership team that collectively bring the skills and experience required to deliver a strong, resilient and effective organisation.

The focus in these first years of the Foundation is to build a core team, develop a research and knowledge base that can inform grant making decisions, and to make effective grants as quickly as possible. The organisation is developing a robust and resilient business model to enable effective grant delivery and evaluation with an emphasis on timely benchmarking, evaluation and learning.

e. Impact of Covid 19

The Covid 19 pandemic continues to have a significant impact on how we all live and work. In common with most organisations, the Foundation's office was closed for most of the year. However, despite the office closure, the Foundation's operations have been impacted minimally as all activities can be and have been carried out remotely. The Foundation has ensured that the grant making process has continued throughout the pandemic.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

STRATEGIC REPORT

This year is the Foundation's first full year of grantmaking since its inception in 2019. It reflects Quadrature Climate Foundation's successful start as a Foundation as it has gone through a period of significant growth and learning. Over the initial 12 months of the Foundation's grantmaking, the organisation was able to ramp up capacity and operations to be able to deliver significant commitments across the sector. At the end of the Foundation's first full financial year, the charity is in a position to respond both to the urgent need for funds to support work to combat climate change as well as be able to handle increased funding capacity.

The trustees outlined a strategic roadmap for the Foundation in Autumn of 2020 but continues to be on a path of learning as its capacity, and network increase.

Achievements and performance

a. Main achievements

The Foundation significantly scaled up its grantmaking in its first full year of operation, approving grants of £106m with a pipeline of ~£150m going into the next financial year. This was supported by a team which grew from 4 to 9 with further support from experts and partners.

The increase in grantmaking was supported by the implementation of a comprehensive grants management system and the hiring of a COO to lead the operations of the Foundation.

The Foundation continued to engage across the climate and sustainable development sector and strengthened ties through deeper engagement with selected organisations and collaborators. This included taking up both formal and informal positions on advisory groups and Boards, and members of the Foundation actively participating in or leading key convenings and events.

The trustees approved a strategic direction for the Foundation with 6 core areas of focus and a further 1 to be developed in 2021. These were set as:

Sectors: Reduce emissions from key sectors

1. Power transition: accelerating the shift from coal to clean not via gas using all pragmatic pathways in a technologically inclusive manner,
2. Transport: taking oil out of transport on road, sea and air through appropriate electrification, shifts in mobility and adoption of zero carbon fuels, and
3. Food and Agricultural systems: shifting diets, agriculture and supply chains to be low emissions or climate positive.

Levers: Accelerate action through systemic shifts

4. Policy and politics: strengthening climate in international, multilateral and bilateral processes, and ensuring political will to support action at a national level,
5. Persuasion and communication: broadening the audience and deepening engagement on climate and climate related issues, and
6. Finance and financial levers: shifting financial flows away from polluting assets towards sustainable investments; and using finance to drive accountability and action.

The Foundation has continued to assess a third dimension to its strategy, building on its initial grantmaking on carbon markets to look at the risk of tipping points, scaling removals, and the governance and understanding around solar radiation modification and other 'repair' techniques.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

b. Key performance indicators

The Foundation sets measurements across a number of key areas to ensure that its grantmaking operations are effective and efficient. The trustees have prioritised the Foundation's work on climate due to the urgency of the challenge, and the Foundation has set up its grantmaking to utilise funds swiftly and flexibly to support the core purpose of the Foundation.

Over this year the Foundation has developed monthly management indicators that include operational metrics such as the volume of grants by quantum and type, ratio of applications to successful receipt of grant, and the speed with which grant applications are being processed, and progress against the Foundation's annual granting commitment target. The Foundation conduct anonymous grantee surveys to improve performance. The Foundation has commenced an annual evaluation of the shape and size of the grant portfolio which has allowed it to identify improvements in its processes and management of grants. In addition, as a new foundation it has continued to review and adapt its evaluation process. The Foundation is implementing performance reviews against each grant, developing a framework for KPIs, milestones and objectives, and undertaking re-grantor evaluations using third party support.

In the following financial year, the Foundation expects to complete a full portfolio review to understand the impact of its grantmaking to date and to evaluate performance against its strategic objectives.

c. Review of activities

The following selected case studies provide examples of the Foundation's grant-making to date.

1. **Power: data into action** - Power production is the biggest emitting sector globally but once decarbonised it can pave the way for other sectors to get off fossil fuels, either directly or through conversion to other "electro-fuels" like hydrogen and ammonia. Recognising how missing, incomplete and inaccessible data is slowing the energy transition, the Foundation granted to a cluster working to improve energy data collection, aggregation, analysis, visualisation and reporting. The scope of their work includes energy infrastructure, capacity and output, including upstream primary energy sources, midstream distribution/generation and downstream consumers, as well as company level data (including nationally owned companies) where it relates to owning and operating assets.

The Foundation made grants to **Ember** to become a global centre of expertise on the power sector transition, using their data-into-action capacity to accelerate the coal and gas phase-out in Asia, Europe, the Middle East and North Africa; to **Global Energy Monitor** to create the Global Gas Plant Tracker, a global dataset of gas-fired power plants and the Global Renewable Power Tracker, a global dataset of solar PV and wind facilities; and to **TransitionZero** to develop a satellite imagery and machine learning based methodology with the potential to monitor all emissions from fossil power generation and heavy industry, starting with coal emissions in China. The Foundation also made a grant to **GREENMAP** to develop risk-assessment, procurement programme design and financial credit enhancement toolkits to attract investment, foster competition, lower the cost of renewable energy generation, and so accelerate renewables deployment and reduce GhG emissions in low- and mid-income countries. Through these grants, the Foundation intends to provide campaigners, the media, policy makers and academics with the information to drive action.

2. **Transport: shipping and aviation** - Emissions from oil use in transport is the next biggest source of global emissions after the power sector. Getting oil out of transport has proven to be a far harder task than getting coal out of power. Policies to date have been weaker and alternatives far slower to come to market. The Foundation has granted to clusters working on shipping and aviation, 'harder-to-abate' sectors in which the transition to net zero is delayed by a lack of clean technologies and prohibitively high costs. The Foundation granted to the **World Economic Forum** to convene industry, investors, policy makers and civil society to overcome information asymmetries and coordination problems, and develop a roadmap to accelerate investment and deployment of electrified aviation.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Transport: shipping and aviation *continued*

The Foundation also gave a grant to the Smith School of Enterprise and the Environment at the **University of Oxford** to assess the potential use of Contracts for Difference (CfDs) to accelerate deployment of zero emission fuels in the shipping industry.

3. **Cleaning up food and agriculture** – Agricultural and food supply chains are responsible for roughly a quarter of global emissions. Methane from food and crop production, nitrous oxide from fertilizers and carbon dioxide from land use change and crop related deforestation all contribute and, as other parts of the economy decarbonize, this percentage will likely rise as these are hard to abate sources. The Foundation granted to the **Good Food Institute** to develop the alternative proteins field through early-stage research and development grants, building and convening networks of industry, investors, policy makers and civil society, and advocacy to encourage governments to create an enabling policy environment and to the **Stockholm Environment Institute** to support the TRASE initiative which produces data, methodology, and analyses on agricultural commodity supply chains, equipping market actors to adopt more sustainable supply chains, thus reducing deforestation and land-based emissions.
4. **Policy and politics** - Internationally, UN negotiations to reduce greenhouse gas emissions have been underway since the early 90s. Arguments about historic contributions and fears about economic competitiveness relative to emerging economies have slowed progress and reduced ambition. However, in 2015, the Paris Agreement was the first climate agreement under the UNFCCC in which all countries are encouraged to submit plans to reduce emissions. But inclusiveness was won at the expense of rules that can be enforced. Voluntary targets submitted to date fall well short of what is needed to reduce risks and countries are expected to ratchet ambition over time as clean alternatives become more available and reduce in cost. Ahead of COP26, the Foundation granted to the **Climate Emergency Collaboration Group** to provide technical assistance, funding and incubation to initiatives aligned to the COP Presidency such as COP Champions and the Global Recovery Collective; to the **Forum on Trade, Environment & the SDGs (TESS)**, a new initiative at the Graduate Institute, Geneva which promotes constructive dialogue on the nexus of climate change and trade in the multilateral context; and to **Climate Policy Radar** to harness natural language processing and machine learning to rapidly scale the collection and analysis of city, sub-national and state-level climate policies through an open platform.
5. **Persuasion** - Whilst the climate sector has successfully brought climate change into the mainstream in recent years, too often the sector has been slow to adapt to the changing media landscape, does not utilise the full range of tools available, and its calls for action have been occluded by the sheer volume of competing demands on public attention and by active disinformation campaigns. The Foundation granted to **Potential Energy** to build a “persuasion engine” which by aggregating large amounts of data on audience segments, messages, channels and message carriers identifies the most effective ways of persuading key segments of the public to support action on climate change, delivering campaigns at scale through paid advertising. Additionally, the Foundation made a grant to **Count Us In**, a platform which partners with brands to drive individual action on climate change. Targeting the influential “carbon-middle”, the platform makes it easy to take meaningful and rewarding actions. Finally the Foundation gave a grant to the **Conscious Advertising Network** enabling them to engage with tech giants to change their policies to de-fund climate misinformation and disinformation on their platforms.
6. **Finance** - Finance ultimately is the monetary expression of the transformation that we want to see. To the extent there are biases inherent in the system, it is a key lever across every vertical area on which we work. Fundamental economics of coal assets can be negative but biases in the financial system can keep them operating longer whilst also sustaining investments in new assets that can quickly become stranded. Biases can also prevent money from flowing into solutions.

Recognising analysis gaps in fossil fuel finance, the Foundation granted to the **Institute for Energy Economics and Financial Analysis** to increase its analytical firepower in oil, gas and petrochemical issues as well as renewable energy development, and to assess the growing stranded asset risks associated with the global corporate and government debt market.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Finance continued

To hold financial institutions accountable, the Foundation granted to **Market Forces** to expose environmentally destructive investments made by banks, pension funds and governments. Supplementing the sector's focus on equities, the Foundation is building a cluster focusing on bonds and fixed income, developing a grant to the **Anthropocene Fixed Income Institute** to undertake research, analysis and investor engagement to improve disclosure practices in the global fixed income markets so investors can better align their portfolios to net zero targets. Recognising the role of central banks in managing the effects of climate risk on financial stability, the Foundation is developing a grant to the Grantham Research Institute at the **London School of Economics** to develop understanding of net-zero central banking including strategy and policy coordination, prudential regulation, scenarios, monetary policy and sovereign bond portfolio management. Internationally, considering the role of the IMF to promote monetary cooperation and preserve macroeconomic and financial stability, the Foundation approved a proposal for **Boston University** to establish a taskforce to spur action on mitigating climate risk in the financial system and help nations design fiscal and financial systems that support decarbonisation.

The Foundation also recognises the need to shift the fundamental underpinnings of a system that consistently places short term returns over longer term sustainable growth. To that end the Foundation gave a grant to the **Foundation for International Law and Environment** to support, inter alia, their work on Global Fiduciary Duty.

7. **Removals and repairs** - Over the past year the Foundation explored the potential for philanthropic interventions to scale the use of nature-based sinks, accelerate the development of technological removals, and understand the potential for climate repair – and its governance. The Foundation made grants to the **Institute of International Finance** to support the Taskforce on Scaling Voluntary Carbon Markets, an initiative led by Mark Carney, Bill Winters and Annette Nazareth to catalyse the formation of voluntary regulation and governance mechanisms for carbon markets. In the absence of government regulation, we need to give the market confidence to increase capital flows into solutions whilst guaranteeing integrity. The Foundation also granted to **Carbon Market Watch** to create outside-track pressure for integrity by exposing conflicts of interest in carbon market governance and by scrutinising corporate net zero pledges and offset certification schemes.

8. **Sector strengthening** – the Foundation aims to support established leaders with proven approaches, and to experiment in order to identify new and better ways of effecting change. The Foundation granted to the **Climate Breakthrough Project** to support highly capable strategists with breakthrough ideas that could leap past business-as-usual emission reduction targets to achieve major GhG reductions on a timescale that matters. Breakthrough award recipients receive \$3 million over three years to develop and pursue scalable strategies of their own design. Beyond funding, award recipients receive tailored resources and assistance to bolster the creation, launch, and scaling of their strategies. The Foundation seeded **Subak**, a new incubator, accelerator and data collective for data-driven climate non-profits, supporting emerging leaders and organisations with the potential to shift the dial on climate change. The Foundation provided further funding to **Impatience Earth**, to provide pro-bono advisory services for corporate foundations interested in giving to climate mitigation. By taking donors on a learning journey and connecting them to practitioners, they build their confidence so they can support organisations, ideas and individuals addressing climate change.

d. Future Developments

The Foundation has grown at a significant rate and the granting quantum that is likely to be made available in coming years is at the upper end of projected growth assumptions. This has led the Trustees to initiate a period of reflection to ensure that the Foundation continues to be in a position to provide maximum benefit to the sector and to ensure that any funds deployed continue to provide the greatest opportunity of successfully addressing the climate change emergency.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

d. Future Developments

As the Foundation reaches the end of its second year the Trustees will ask the Executive to:

- Conduct a Portfolio review. Through the third year of operations the Foundation will conduct a thorough analysis of portfolio performance to date. This will ensure that future granting is focused to deliver the maximum chance of success,
- Lead a structural and organisational design analysis. The Foundation will adjust its structure as appropriate based upon the outcomes of the portfolio review,
- Strengthen processes and focus on management of portfolio,
- Identify opportunities for further exploitation of technology to improve grantmaking, grant reviews, portfolio analysis and provision of business intelligence, and
- Identify where it may be appropriate to review governance to ensure that the Trustees collectively have the skills and experience to guide and support the Executive as the Foundation continues to grow.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The Foundation has been in the fortunate position with Covid-19 having a minimal or no impact on its donations and grant making activities. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The Foundation will, at all times, ensure that there is a minimum level of reserves available to sufficiently cover future operational expenditure. A QCL donation for the following financial year's operational budget (including a contingency) is made prior to the commencement of the financial year. At any point in the financial year additional donations are made by QCL at the request of the Foundation for additional unbudgeted operational expenditure.

The Foundation obtains QCL donations for any grant payments made and through this mechanism it is ensured that sufficient reserves are maintained to cover future operational expenditure.

Total reserves are £7,883,785 (2020: £6,492,761). Free unrestricted reserves are calculated by taking unrestricted reserves and deducting fixed assets. At 30 June 2021, free unrestricted reserves were £7,870,901 (2020: £6,485,650).

c. Financial results

The Foundation ended the year with a surplus of £1,391,024 in the financial year (period ended 2020: £6,492,761). The statement of financial activities shows that the total income for the year amounted to £60,263,812 (period ended 2020: £30,818,964) and total expenditure of £58,872,788 of which expenditure on charitable activities was £56,879,128 (period ended 2020: £24,326,203, of which expenditure on charitable activities was £22,010,470).

d. Material financial investments

The Foundation does not currently hold any material investments. Any future investments will be approved by the trustees only after obtaining such advice from a financial expert as the trustees consider necessary and having regard to the suitability of investments and the need for diversification.

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

e. Principal risks and uncertainties continued

The Foundation mitigates this risk by granting in arrears against known donations. The Foundation has clear communication with QCL which includes letters of agreement setting out future donation levels.

The principal risk is an economic downturn for QCL leading to a reduction in future funding.

In addition to the principal risk, the Foundation has identified the following risks and uncertainties:

- Failure to fulfil grant commitments in an efficient and timely manner which may place undue stress on grantees due to slow processes and inadequate resourcing. This risk has been mitigated by the introduction of a grant management system which has automated the grant making process and now includes workflows such as prompts to grantees to fill in donation requests. The Foundation actively reviews staffing to identify if recruitment is required to ensure there is adequate resourcing,
- Inability to recruit staff of the required calibre to vacant positions in time to create capacity levels required to deliver against the granting ambition. The Foundation mitigates this risk by proactive recruitment planning and partnering with the most appropriate recruitment agencies, and
- Insufficient capacity and/or skills to provide effective operational delivery with implementation of organisational development plans being unable to match demands of operational requirements. The Foundation performs regular internal reviews of organisational requirements and maintains a robust recruitment plan.

f. Financial risk management objectives and policies

The Foundation recognises that risk management is essential to its governance and to sustainable operation of its services. The trustees are responsible for ensuring that the Foundation has a sound system of internal control to safeguard its assets and funds and to ensure its assets and funds are used only in furtherance of the Foundation's objectives.

The trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Foundation has a formal risk management process whereby a full and detailed review of all possible major risks to the charity are categorised with an associated control activity to mitigate the risk and are ranked according to likelihood and impact to the charity for review by the trustees.

The trustees have established a Finance, Audit and Risk Committee to further support effective risk management for the Foundation.

g. Principal funding, fundraising activities and income generation

All principal funding is provided by QCL. The Foundation does not currently undertake any fundraising activities

QUADRATURE CLIMATE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Statement of Trustees' Responsibilities

The trustees (who are also directors of Quadrature Climate Foundation 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enables 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.

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Haysmacintyre LLP has expressed its willingness to continue in office as auditors and a resolution proposing its re-appointment will be submitted at the appropriate Trustee meeting.

Approved by order of the members of the board of Trustees on 14 December 2021 and signed on their behalf by:



J Hooke
Trustee

Date: 14 December 2021

Independent auditor's report to the members of Quadrature Climate Foundation

Opinion

We have audited the financial statements of Quadrature Climate Foundation for the year ended 30 June 2021 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and 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 strategic report and the directors' report included within the Trustees' Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities SORP (2019) and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of grant expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing the controls and procedures of the charity, including during the Covid-19 remote working period;
- Reviewing minutes of Trustees' meetings;
- Identifying and testing journals, in particular journal entries posted around the year-end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF QUADRATURE CLIMATE FOUNDATION

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Siobhan Homes
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 15 February 2022

QUADRATURE CLIMATE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE YEAR ENDED 30 JUNE 2021

| | Note | Total 2021 £ | Total 2020 £ |
|------------------------------------|------|-------------------------|-------------------------|
| Income from: | | | |
| Donations and legacies | 2 | 60,263,812 | 30,818,928 |
| Interest | | - | 36 |
| Total income | | <u>60,263,812</u> | <u>30,818,964</u> |
| Expenditure on: | | | |
| Charitable activities | | 56,879,128 | 22,010,470 |
| Other expenditure | 4 | 1,993,660 | 2,315,733 |
| Total expenditure | | <u>58,872,788</u> | <u>24,326,203</u> |
| Net movement in funds | | <u>1,391,024</u> | <u>6,492,761</u> |
| Reconciliation of funds: | | | |
| Reconciliation of funds: | | | |
| Total funds brought forward | | 6,492,761 | - |
| Net movement in funds | | <u>1,391,024</u> | <u>6,492,761</u> |
| Total funds carried forward | | <u><u>7,883,785</u></u> | <u><u>6,492,761</u></u> |

All of the Charity's funds in both the current and prior year were unrestricted.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 19 to 28 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION**BALANCE SHEET**

FOR THE YEAR ENDED 30 JUNE 2021

Company number: 12194319

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible fixed assets | 8 | <u>12,884</u> | <u>7,111</u> |
| | | | 7,111 |
| Current assets | | | |
| Debtors | 9 | 2,791,641 | 4,095 |
| Cash at bank and in hand | | <u>6,360,852</u> | <u>8,167,767</u> |
| | | 9,152,493 | 8,171,862 |
| Creditors: amounts falling due within one year | 10 | <u>(1,281,592)</u> | <u>(1,686,212)</u> |
| Net current assets | | <u>7,870,901</u> | <u>6,485,650</u> |
| Total assets less current liabilities | | <u>7,883,785</u> | <u>6,492,761</u> |
| Total net assets | | <u><u>7,883,785</u></u> | <u><u>6,492,761</u></u> |
| Charity funds | | | |
| Unrestricted funds | 11 | <u>7,883,785</u> | <u>6,492,761</u> |
| Total funds | | <u><u>7,883,785</u></u> | <u><u>6,492,761</u></u> |

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the financial statements.

These financial statements were approved and authorised for issue by the Trustees on 14 December 2021 and signed on its behalf by:



J Hooke
Trustee

The notes set out on pages 19 to 28 form an integral part of these financial statements.

QUADRATURE CLIMATE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2021 £ | 2020 £ |
|--|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 14 | <u>6,360,852</u> | <u>8,167,767</u> |
| Change in cash and cash equivalents in the reporting period | | <u>6,360,852</u> | <u>8,167,767</u> |
| Cash and cash equivalents at the end of the period | | <u><u>6,360,852</u></u> | <u><u>8,167,767</u></u> |

The notes on pages 19 to 28 form part of these financial statements.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance of with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practise applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Quadrature Climate Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going Concern

After making appropriate enquiries, the Trustees have a responsible expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Trustees have considered the impact of COVID 19 and have confirmed the Foundation has not been impact by the pandemic.

1.3 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for the other purposes.

1.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies *(continued)*

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Tangible fixed assets will only be capitalised if the asset is £1,000 or over.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| | |
|--------------------|-----------|
| Office Equipment | - 4 years |
| Computer Equipment | - 4 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

QUADRATURE CLIMATE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1.11 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.12 Critical accounting judgements or estimation

The trustees do not consider there to be any significant judgements or sources of estimation uncertainty in relation to the preparation of the financial statements.

1.13 Foreign currency translation

Functional and presentation currency

The Foundations' functional and presentational currency is GBP

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency and monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

2. Income from donations and legacies

| | Total Funds 2021 £ | Total Funds 2020 £ |
|-----------|-----------------------------|-----------------------------|
| Donations | 60,263,812 | 30,818,928 |
| | <u>60,263,812</u> | <u>30,818,928</u> |

3. Analysis of Grants

| | Grants to Institutions 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|----------------|--|--------------------------|--------------------------|
| Grants awarded | <u>54,061,523</u> | <u>54,061,523</u> | <u>21,348,310</u> |

During the year the Foundation made grants in excess of £750,000 (2020: £399,000) to the following institutions:

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| 10:10 Foundation Possible | - | 415,000 |
| 350.org | - | 810,649 |
| Canopy Planet Society | 1,000,000 | 500,000 |
| Carbon Tracker Initiative | 1,912,938 | - |
| Clean Air Task Force Inc | - | 1,200,000 |
| The Climate Group (Climate Change Organisation) | - | 510,000 |
| Climate Subak | 1,749,375 | 450,000 |
| Count Us In (LQ Foundation) | 800,000 | - |
| Ember | 850,770 | - |
| Energy Climate Intelligence Unit (ECIU) | - | 400,000 |
| Energy Transition (ETC/Rocky Mountain Institute) China | - | 430,000 |
| Foundation For International Law For The Environment | 1,905,197 | - |
| Global Coal Campaign (Stitching SED Fund) | - | 4,030,613 |
| Green Finance Institute | - | 540,000 |
| Greenmap | 1,819,426 | - |
| Growald Family Fund | 3,608,100 | 4,877,176 |
| ICS | 1,100,336 | - |
| Make My Money Matter | - | 400,000 |
| Map Biomas | - | 458,015 |
| Subtotal carried forward | 14,746,142 | 15,021,453 |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

3. Analysis of Grants continued

| | | |
|----------------------------------|-------------------|-------------------|
| Brought forward | 14,746,142 | 15,021,453 |
| Mighty Earth | 943,698 | - |
| New Automative | - | 425,000 |
| Rights & Resources Initiative | - | 806,543 |
| Rockefeller (CECG) | 4,930,657 | - |
| Rocky Mountain Institute | 1,062,486 | 1,003,698 |
| Stand Earth | 1,672,559 | - |
| Stitching SED Fund | 5,287,594 | - |
| TerraPraxis | 1,000,000 | - |
| The Good Food Institute | 1,435,204 | - |
| Third Way Institute | 1,021,687 | - |
| TransitionZero | 950,000 | - |
| UK100 | - | 400,000 |
| Windward Fund | 2,449,391 | - |
| Woods Hole Research Centre | - | 812,863 |
| Woodwell Climate Research Center | 1,251,934 | - |
| World Resources Institute | 1,202,092 | - |
| WWF | 1,760,000 | - |
| Other grants to institutions | 15,423,078 | 2,878,753 |
| | <u>54,061,523</u> | <u>21,348,310</u> |

The Foundation has entered into commitments that may result in further grants totalling £84,352,203 being paid to institutions in future years. These payments are subject to criteria that need to be satisfied by the recipient and are dependent on the Foundation having appropriate funds available to finance them. All future payments are subject to the Foundation's discretion and, as such, liabilities for these grants have not been recognised at 30 June 2021.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

4. Other expenditure

| | Total Funds 2021 £ | Total Funds 2020 £ |
|-------------------------------|---------------------------------------|---------------------------------------|
| Admin expenses | 45,261 | 106,019 |
| Finance costs | 480 | 249 |
| Foreign Exchange Gain | 25,964 | (142,659) |
| Consulting Fees | 309,983 | 1,898,603 |
| Legal and professional fees | 137,818 | 145,257 |
| Wages and Salaries | 1,182,771 | 267,719 |
| Employer's National Insurance | 155,095 | 35,282 |
| Pension costs | 55,502 | 3,115 |
| Other staff costs | 78,021 | 1,819 |
| Depreciation | 2,765 | 329 |
| | <u>1,993,660</u> | <u>2,315,733</u> |

5. Auditors' remuneration

Legal and professional fees (note 4) include the following:

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 18,300 | 6,000 |
| Fees payable to the Company's auditor in respect of: All non-audit services not included above | <u>9,300</u> | <u>5,500</u> |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

6. Staff costs

| | 2021 | 2020 |
|--|------------------|----------------|
| | £ | £ |
| Wages and salaries | 1,182,771 | 267,719 |
| Social security costs | 155,095 | 35,282 |
| Contribution to defined contribution pension schemes | 55,502 | 3,115 |
| | <u>1,393,368</u> | <u>306,116</u> |

The average number of persons employed by the Company during the period was as follows:

| | 2021 | 2020 |
|-----------|-------------|-------------|
| | £ | £ |
| Employees | <u>8</u> | <u>3</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2021 | 2020 |
|-------------------------------|---------------|---------------|
| | Number | Number |
| In the band £60,001-£70,000 | 1 | - |
| In the band £80,001-£90,000 | 1 | - |
| In the band £90,001-£100,000 | - | 1 |
| In the band £120,001-£130,000 | 1 | - |
| In the band £130,001-£140,000 | - | 1 |
| In the band £310,001-£320,000 | 1 | - |
| In the band £370,001-£380,000 | <u>1</u> | <u>-</u> |

Staff included above are considered to be key management personnel of the charitable company.

7. Trustees remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period ended 30 June 2021, no Trustee expenses have been incurred.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

8. Tangible fixed assets

| | Computer Equipment £ | Office Equipment £ | Total £ |
|-----------------------|----------------------------|--------------------------|-------------------|
| Cost | | | |
| At 30 June 2020 | 315 | 7,125 | 7,440 |
| Additions | - | 8,853 | 8,853 |
| Disposal | (315) | - | (315) |
| | <u> </u> | <u> </u> | <u> </u> |
| At 30 June 2021 | - | 15,663 | 15,978 |
| | <u> </u> | <u> </u> | <u> </u> |
| Depreciation | | | |
| At 30 June 2020 | - | 329 | 329 |
| Charge for the period | - | 2,765 | 2,765 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 30 June 2021 | - | 3,094 | 3,094 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net Book Value | | | |
| At 30 June 2021 | - | 12,884 | 12,884 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 30 June 2020 | 315 | 6,796 | 7,111 |
| | <u> </u> | <u> </u> | <u> </u> |

9. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|-------------------|-------------------|
| Due within one year | | |
| Prepayments and accrued income | 2,791,641 | 4,095 |
| | <u> </u> | <u> </u> |
| | <u>2,791,641</u> | <u>4,095</u> |

10. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|--------------------------------|-------------------|-------------------|
| Trade creditors | 69,808 | 206,960 |
| Other creditors | 29,125 | 7,021 |
| Accruals and deferred income | 36,237 | 104,131 |
| Grants payable – institutional | 1,146,422 | 1,368,100 |
| | <u> </u> | <u> </u> |
| | <u>1,281,592</u> | <u>1,686,212</u> |

Details of future grant commitments are given in note 3 to the accounts.

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

11. Statement of Funds

| | Income £ | Expenditure £ | Balance at 30 June 2021 £ |
|---------------------------|-------------------|---------------------|------------------------------------|
| Unrestricted funds | | | |
| General Funds – all funds | 60,263,812 | (58,872,788) | 1,391,024 |
| | <u>60,263,812</u> | <u>(58,872,789)</u> | <u>1,391,024</u> |

| | Income £ | Expenditure £ | Balance at 30 June 2020 £ |
|---------------------------|-------------------|---------------------|------------------------------------|
| Unrestricted funds | | | |
| General Funds – all funds | 30,818,928 | (24,326,203) | 6,492,761 |
| | <u>30,818,964</u> | <u>(24,326,203)</u> | <u>6,492,761</u> |

12. Analysis of net assets between funds

| | Total funds 2021 £ | Total Funds 2020 £ |
|-------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | 12,884 | 7,111 |
| Current assets | 9,152,493 | 8,171,862 |
| Creditors due within one year | (1,239,592) | (1,686,212) |
| Total | <u>7,925,785</u> | <u>6,492,761</u> |

13. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|--|--------------------|------------------|
| Net income for the period (as per Statement of Financial Activities) | 1,391,024 | 6,492,761 |
| Adjustments for: | | |
| Depreciation charged | 2,765 | 329 |
| Purchase of tangible fixed assets | (8,853) | (7,440) |
| Disposal of tangible fixed assets | 315 | |
| (Increase)/(increase) in debtors | (2,787,546) | (4,095) |
| (Decrease)/Increase in creditors | (404,620) | 1,686,212 |
| Net cash provided by operating activities | <u>(1,806,915)</u> | <u>8,167,767</u> |

QUADRATURE CLIMATE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

14. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|---------------------------------|------------------|------------------|
| Cash at bank | 6,360,852 | 8,167,767 |
| Total cash and cash equivalents | <u>6,360,852</u> | <u>8,167,767</u> |

15. Analysis of Net Debt

| | Cash flows £ | At 30 June 2021 £ |
|---------------------------------|------------------|-------------------------|
| Cash at bank and in hand | 6,360,852 | 6,360,852 |
| Total cash and cash equivalents | <u>6,360,852</u> | <u>6,360,852</u> |

| | Cash flows £ | At 30 June 2020 £ |
|---------------------------------|------------------|-------------------------|
| Cash at bank and in hand | 8,167,767 | 8,167,767 |
| Total cash and cash equivalents | <u>8,167,767</u> | <u>8,167,767</u> |

16. Pension Commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and amounted to £55,502 (2010: £3,115). At 30 June 2021 contributions of £8,722 (2020: £3,115) were unpaid and included in other creditors.

17. Related party transactions

During the period, donations of £60,263,812 (2020: £30,818,928) were received from QCL, a company controlled by two of the Foundation's trustees. Expenditure of £2,955,423 (2020: £1,846,049) was incurred by QCL on behalf of the foundation and recharged at cost. A total of £20,402 (2020: £16,464) was due to QCL at the period end and is included in creditors (note 10).

QUADRATURE CLIMATE FOUNDATION

England & Wales - Charity number 1187301

Accounts

Quadrature Climate Foundation
(A Company Limited by Guarantee)
Trustees' Report and Financial Statements
30 June 2020

Quadrature Climate Foundation

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
For the Period Ended 30 June 2020**

| | |
|----------------------------------|--|
| Trustees | G H Skinner S Setiya N Cosgrove J Hooke |
| Company registered number | 12194319 |
| Charity registered number | 1187301 |
| Registered office | The Leadenhall Building 122 Leadenhall Street London EC3V 4AB |
| Independent auditors | Rees Pollock 35 New Bridge Street London EC4V 6BW |
| Bankers | UBS Wealth Management 5 Broadgate London EC2M 2AN |

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' STATEMENT For the Period Ended 30 June 2020

The Quadrature Climate Foundation was established in September 2019 and received charitable status in January 2020. Throughout our first year we have been fortunate to be working with an excellent team in our partnership with consultancy SYSTEMIQ which has allowed us to research opportunities and begin grant making at scale at once, reflecting our views on the urgency at which we need to tackle this challenge. We are also grateful for the support provided by a range of experts and advisors with particular thanks to Joanna Messing, Ten Years' Time and the Climate Leadership Initiative. We have benefitted hugely from this support to build a wide range of relationships and knowledge across the sector. We also want to offer thanks to those who generously shared their insights and expertise as we established our strategy and granting processes. We were supported by QCL's Finance, Legal and People teams to establish the Foundation and set up our granting processes. In June 2020 we finalised the transition to an inhouse team and began recruiting permanent staff with continued support from QCL as needed. By the end of our first financial year we were delighted to have distributed £20m to 33 grantees focusing on a range of geographies including the UK, Europe, South America, Asia and the Middle East.

We are learning-by-doing in our grant-making and have granted at different scales and over different durations. We have incubated entirely new organisations and made grants to well established players, including global regranteeing organisations who hold so much knowledge about groups driving change on the ground. The areas we have focused on include making a coal to clean transition in the power sector, decarbonising transport and protecting natural carbon sinks and biodiversity. We've supported groups focused on movement building and citizen action alongside those who adopt a more inside track approach to conveying information and ideas.

We hope, through our investment in research and grant making, to make a lasting positive contribution in the fight to preserve our fragile and unique planetary home. In doing so, we hope to inspire others and are committed to being open and transparent about our activities and what we are learning. Below we present our annual report together with the audited financial statements of the Company for the period 6 September 2019 to 30 June 2020.

Yours

Greg, Suneil, Jen and Neil

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT For the Period Ended 30 June 2020

This Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, governance and management

a. Constitution

Quadrature Climate Foundation (referred to below as QCF) is a charitable company limited by guarantee, incorporated on 6 September 2019 under the name QCF and registered as a charity on 10 January 2020. The charitable company changed its name to Quadrature Climate Foundation on 6 March 2020.

b. Methods of appointment or election of Trustees

The number of Trustees shall be not less than three but, unless and until QCF determines otherwise by ordinary resolution, shall not be subject to any maximum. Any person who is willing to act as a Trustee and is permitted by law to do so may be appointed to be a Trustee by ordinary resolution or by a decision of the Trustees.

c. Organisational structure and decision-making policies

The Board of Trustees delegate day to day management of QCF to two co-directors. All permanent staff are employed by QCF and a Service Level Agreement exists between QCF and Quadrature Capital Limited (QCL) for additional services that may be provided to support the day to day operations of QCF. These include legal, finance and personnel support.

The Trustees delegate decision making in accordance with a Grant Making Policy that is reviewed annually. This details the priorities for support, the grant making criteria and principles along with the delegated criteria for grant approval. In addition, it stipulates the grant application process, due diligence principles and conditions for monitoring and reporting. There is also clear direction on any clawback and repayment criteria.

Grant making and due diligence are then detailed in separate policies which are reviewed and approved by the Board of Trustees.

d. Policies adopted for the induction and training of Trustees

Upon appointment, Trustees are required to familiarise themselves with Charity Commission and HMRC guidance relating to charitable organisations, and in particular:

- "The Essential Trustee (CC3)";
- corporate foundations; and
- payments by charities to overseas bodies.

The Trustees are also required to understand and apply QCF's policies and procedures, including the Grant Making Policy.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

Structure, governance and management (continued)

e. Pay policy for key management personnel

QCF benchmarks staff pay within the sector and reviews pay on an annual basis. The Board of Trustees recognise that attracting and retaining high quality staff is essential to the success of the organisation. In addition, all staff are given access to a wide range of benefits that are designed to support employee well-being, health and alignment with the values of the organisation.

f. Related party relationships

QCF receives funding and other contributions from QCL and two of the Trustees are directors of QCL. Nevertheless, the Trustees always act in the best interests of the charity. They have considered the factors listed in the Charity Commission's guidance in relation to demonstrating the charity's independence from QCL and are satisfied that QCF meets these requirements.

g. Financial risk management

The Trustees have assessed the major risks to which QCF is exposed, in particular those related to the operations and finances of QCF and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

h. Trustees' indemnities

In accordance with QCF's Articles of Association, the Trustees are entitled to benefit from trustee indemnity insurance and may receive an indemnity from QCF under certain circumstances.

i. Objectives and activities

QCF was founded by Greg Skinner and Suneil Setiya, the co-CEOs and founders of QCL, and registered as a charity on 10 January 2020. Its primary focus is on making grants to organisations and people who work on issues relating to the mitigation of climate change and the promotion of sustainable development.

QCF does not seek applications for grants and will generally not make grants in response to unsolicited applications.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
For the Period Ended 30 June 2020

j. Policies and objectives

QCF's objectives are the promotion of sustainable development by:

- The protection, preservation and improvement of the environment and the prudent use of resources
- The promotion of sustainable means of achieving economic growth and regeneration

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

QCF maintains a full set of policies that ensure compliance with all relevant legislative requirements, protect staff and grantees and provide the Trustees with assurances that the Foundation is well run and that all risks are appropriately managed.

Alongside a Grant making Policy, QCF maintains amongst others, safeguarding, data protection, bribery, anti-corruption and money laundering and due diligence policies.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

k. Strategies for achieving objectives

The Trustees have decided the current focus of the Foundation is on mitigation of global climate change with a global outlook. In view of the relatively high amount of philanthropy committed to climate change in North America, it has been decided at this time to maintain a focus on other geographies.

Within this broad topic, we are seeking to help remove the barriers which prevent urgent action to address climate change risks. Our aim is to increase the will to act and ensure the right information and incentives exist to drive change at every level.

At present our focus is on the three largest contributors to the build-up of greenhouse gases in the atmosphere: power generation, transport and agriculture with associated land use change. In addition, we have identified three cross-cutting levers which we seek to strengthen through our support: national and international policy and politics, financial sector reform and persuasive communications.

We will continue to adopt a learning-by-doing approach and aim to be thorough yet agile in our assessment of opportunities and outcomes. We seek to build capacity in the not for profit sector, providing multi-year grants and other forms of support where appropriate.

The Trustees will prioritise grants to be made in furtherance of QCF's stated priorities which include:

Collaboration

The person/entity must acknowledge others in the sector, be modest and realistic about capacity to drive change, foster shared knowledge and efforts and commit to making results open to the community.

Urgency

We want to focus on achieving near-term progress on reducing concentrations of greenhouse gases in the atmosphere. We support ideas that can be enacted quickly, scaled and sustained over time.

Dispassion

We focus on impact and are open to a wide range of solutions based on facts and sound analysis. We want to avoid ideologies that can distort focus.

Leverage

We are looking to support interventions that can trigger a big impact and ideas that can scale, with international relevance. We are particularly keen to support where other sources of support are hard to come by.

Experimentation

We want the work to originate from deep knowledge / specialism in a relevant field but we are comfortable with some risks relating to novelty as we look to scale successes. Originality is welcomed.

I. Activities undertaken to achieve objectives

In order to achieve the objectives of the organisation the Trustees have appointed a leadership team that collectively bring the skills and experience required to deliver a strong, resilient and effective organisation. The focus for the early years is to build a wealth of research and knowledge that can inform grant making decisions and a strong business model to enable effective grant delivery and evaluation. To ensure a robust approach to performance the Foundation is establishing a strong grant portfolio management model including a strong emphasis on benchmarking, evaluation and learning.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

m. Social investment policies

QCF actively and rigorously pursues a policy of diversity in recruitment.

n. Grant-making policies

The Trustees have approved a comprehensive Grant-making Policy that is reviewed at least annually. The policy sets out the principles, criteria and processes that govern how QCF makes grants across all fund types. It also provides information for those applying for grants.

The Trustees further ensure proper governance through clear grant making criteria, grant making principles (ensuring that the wishes of Trustees are followed) and through a clear grant making process. They also set out priorities for support that are reviewed each year. In addition, grants may be made that fall outside of the priorities provided that the Trustees are satisfied that the activity supported will be charitable and is an appropriate use of QCF funds.

In addition, the Trustees set out a clear scheme of delegation for grant contract approval, ensuring that they retain oversight whilst ensuring that QCF is agile and responsive.

Grants are awarded on an 'invitation to apply' only basis.

o. Volunteers

QCF does not use volunteers to deliver any services or in support of grant making activities.

p. Main activities undertaken to further the Company's purposes for the public benefit

QCF's primary activities are research and grant-making. We also engage with other philanthropic entities and their networks to exchange views and best practice.

Strategic report

This has been the first year of QCF's operations and it has reflected our core principles as set out above. We have sought to respond to the urgent nature of the problem by making grants from day one as we built our team and systems. We have been able to make those grants thanks to the collaborative partnerships that we have sought to build across the sector with other foundations, networks, advisors and grantees themselves. Finally, we have been experimental, learning by doing and thus granting quickly to ideas or organisations who can have impact towards our goals.

From the start we have recognised the need for long-term, directed support within the sector and we anticipate that we will build longer term and continuing relationships with grantees where appropriate.

We also recognise the opportunity to support innovation and entrepreneurship and QCF will look to mirror our founders' risk-taking appetite. We have supported new entities built out of entrepreneur or intrapreneurship across the globe both through our own granting and through our partners.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

Strategic report (continued)

a. Main achievements of QCF

Since its inception in September 2019 to the end of this reporting period, QCF has been on a path of learning. We have engaged with those throughout the climate and sustainable development sector, seeking the opinion of experts and leaders. QCF engaged the services of SYSTEMIQ and their network of advisors, partners and employees. This permitted QCF to swiftly build up its knowledge, network, and partnerships with both grant makers and grantees.

In our initial granting, QCF aimed to support both leaders and institutions who are already having demonstrable impact within the sector which our funding aims to accelerate, and to seed more experimental or project focused grants which will have the capacity to grow and develop.

In our first year of granting we created an initial prioritisation of the potential areas of focus which was used for the majority of our grant-making. Alongside these, QCF also sought to respond to opportunities which arose where urgent support was needed either to address a particular issue or to give stability to a particular individual or organisation.

QCF's initial areas of focus included:

1. Power: moving from coal to clean while limiting the expansion of gas;
2. Agriculture, forestry and other land use: supporting an emissions positive agricultural system in Europe and strengthening deforestation efforts on the tropical forest frontier;
3. Communication: creation of narratives and engagement to a wider audience and building a de-polarised political landscape for climate action;
4. UK and COP26: strengthening the outcomes for COP26 and supporting a moment of wider engagement both nationally and sectorally;
5. Transport: reducing the demand for oil across road, maritime and aviation

Below is a selection of the entities supported within these strategies by QCF since its inception in January 2020 to the end of the first year.

As we evolve into our second year, QCF will delineate its core granting areas and continue to seek to respond in an agile and flexible manner to needs as they arise.

b. Key performance indicators

QCF measures a number of key areas to ensure appropriate oversight, efficient operation and timely intervention. QCF recognises that it is important to ensure that funds are utilised in such a way that they maximise the potential to positively support the core aims of the organisation. As a new charity, our forms of evaluation will be reviewed and adapted as we develop.

Operational metrics include the volume of grants by quantum and type, ratio of applications to successful receipt of grant, the speed with which grant applications can be processed and impact achieved through selection of the right grantees to deliver against the strategic aims of the organisation. We conduct anonymous grantee surveys to improve performance.

Additionally, QCF aims to measure the shape and size of the open grant portfolio, attrition rates, the level of additional (non-monetary) support provided to grantees and the promotion of programme outputs to the appropriate audiences in order to maximise the potential for addressing the global climate change challenge.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

Strategic report (continued)

c. Review of activities

The following selected case studies provide examples of our grant-making to date.

Power: Coal to clean

Emissions from coal fired power generation remain the biggest single contributor to the global pollution blanket causing climate change. We support work to phase out coal and move to clean. Alongside some direct grants, we use re-grantors which allows us to leverage their networks and expertise to maximise our impact. For example, by allocating funds to civil society across the European Union member states, the UK, the Western Balkans and Turkey, the Europe Beyond Coal (EBC) campaign aims to educate about the importance of declining coal use and ensure coal in power is phased out across Europe by 2030.

Following coal plant cancellations in Poland, retirements in Spain and Portugal, and legislation in Germany on coal phase-out, EBC has seen capacity wins in 2020 almost as high as combined capacity wins in the period 2017-2019. The focus is increasingly turning to Turkey and the Western Balkans where progress remains slow.

Power: Tech-Neutrality

We believe the urgency and seriousness of the climate challenge requires us to embrace the full range of sustainable zero emissions technologies available. To decarbonise the parts of the world economy that cannot be easily electrified and to help balance highly variable power grids, we will need zero-carbon fuels (ZCFs). The world is awash in cheap gas, oil, and coal that may be hard to regulate or price out of existence without low-carbon, affordable substitutes. ZCFs can be made from a variety of sources; renewable energy, gas (with carbon capture) and nuclear energy.

QCF has granted to the US-founded Clean Air Task Force (CATF) to establish a European presence. As a technologically neutral voice in the debate, CATF will develop a bi-regional EU/Middle East North Africa strategy for increasing awareness of the role of ZCFs. In parallel, it will also engage with the EU Methane Strategy to ensure that the EU effectively attacks methane emissions from its domestic and imported oil and gas sector. Europe can use its leverage as the world's largest importer of natural gas and one of the world's largest importers of oil to reduce emissions from suppliers including Russia, Algeria and the US among others. By supporting fact-based, technologically neutral information provision and advocacy in the EU, we seek to accelerate the creation of an enabling policy environment for the bloc to reach net-zero before 2050.

Transport: reducing demand for oil

With the UK hosting the next global climate conference in 2021, we have focused on activities which can support a successful conference. This needs to include accelerated domestic action on climate, demonstrating the pathway to transition in a major economy. Our aim is to educate and inform about the importance of blueprint policies in Britain that can cost effectively deliver decarbonisation goals with maximum buy in/minimum backlash across all demographic groups. Transport is responsible for 28% of UK greenhouse gas emissions, the most of any sector. Progress has been slow, with emissions dropping only 3% since 1990. QCF has granted to a cluster of mutually re-enforcing organisations to address this hard-to-tackle problem from the complementary angles of policy, finance and communications.

We granted to: Green Alliance to coordinate civil society on policies which can accelerate decarbonisation of transport, including the bringing forward of the ban of international combustion engines (ICE), possible for its work on streetscape changes in English cities and for work on aviation; and UK100 to empower local authorities in the green transition. We are also supporting the Green Finance Institute to convene stakeholders to identify barriers and solutions in relation to the deployment of capital to clean transport solutions. As part of our commitment to innovation, we've seeded New Automotive, a start-up research group that performs data-led

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

Strategic report (continued)

analysis and communicates directly with consumers to dispel myths and accelerate the take up of electric vehicles.

Internationally, we want to support outcomes in the real economy through country level buy-in to the clean transport transition and shifting financial flows. QCF is supporting InfluenceMap to educate about misinformation; the Global Maritime Forum to help the shipping sector identify pathways to commercially viable zero-emission vessels and funding The Climate Group to coordinate international work around electro-mobility in the run up to COP26.

Financial reform: Pensions

Meeting the goals of the Paris Agreement will require enormous shifts in financial flows. Ultimately, asset owners need to shift the frameworks against which they ask for their funds to be invested to include climate related considerations, whether through stewardship, investment or divestment. The pension providers offer a key intervention point for driving this change with £3tn invested in British pensions. Our support in this area has started with Make My Money Matter, an information and action campaign co-founded by film-maker Richard Curtis, focused on asking consumers to ensure their pension funds are aligned with a net-zero world. Led by providers like Nest, more British pension funds are committing to Paris-aligned investments.

QCF is also supporting Peers for the Planet (P4P), a cross party group for members of the House of Lords concerned about climate change and the environment. P4P helped add climate change into the Pensions Schemes Bill. Following amendments tabled by P4P co-Chair Baroness Hayman, a crossbencher in the House of Lords and engagement with the Minister, key changes to the Bill were included requiring pension fund Trustees to assess, manage and disclose climate-related risks.

Agriculture and Land Use: Forest Protection

Fighting climate change requires us not only to cut off the sources of greenhouse gas emissions but to protect the sinks, particularly on the deforestation frontier. Three grants made this year seek to strengthen the enabling conditions for national and state governments to protect and manage their essential forests while following a pathway to sustainable development.

Monitoring and reporting on illegal deforestation in Brazil is essential for enforcement and prevention. QCF has granted to MapBiomass, a multi-stakeholder initiative formed of non-profits, universities and technology companies mapping de-forestation and land use changes in Brazil. Using high-tech geospatial mapping MapBiomass generates tens of thousands of reports every year, providing essential data to federal agencies and public prosecutors defending the Amazon from illegal incursions.

Scaling what has been shown to work, we've given a further support to the RAISG network to roll out the model and mapping in order to provide the same monitoring and reporting across the northern Amazon region.

Clear and enforceable land rights and tenure are a strong pillar of any national land planning strategy. Supporting the development and protection of these rights for local communities and indigenous peoples is essential in the development of robust land management and use. QCF has granted to Rights and Resources Institute for their work with partners globally on the development of robust and resilience land rights laws and protections

d. Fundraising activities and income generation

QCF does not currently undertake fundraising activities.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

Strategic report (continued)

e. Investment policy and performance

QCF does not currently hold any material investments. Any future investments will be approved by the Board only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that QCF has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

QCF will, at all times, ensure that there is a minimum level of reserves available to sufficiently cover future expenditure. The approval of a Formal Reserves Policy will be a priority for the Board of Trustees in early 2021. All financial and other risks are considered and monitored on an on-going basis. The Reserves Policy when approved will be subject to annual review by the Board of Trustees.

c. Material investments policy

QCF does not currently hold any material investments. Any future investments will be approved by the Board only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification.

d. Principal risks and uncertainties

The principal risk is an economic downturn for QCL leading to a reduction in future funding.

e. Financial risk management objectives and policies

QCF recognises that risk management is essential to its governance and to sustainable operation of its services. The Trustees are responsible for ensuring that QCF has a sound system of internal control to safeguard its assets and funds and to ensure its assets and funds are used only in furtherance of QCF's objectives.

f. Principal funding

All principal funding is provided by QCL.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED) For the Period Ended 30 June 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

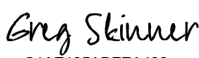
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.


Auditors

The auditors, Rees Pollock, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 29 January 2021 and signed on their behalf by:

DocuSigned by:

C1AE185ADFEA422...

G H Skinner

DocuSigned by:

4588827FA183461...

J Hooke

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUADRATURE CLIMATE FOUNDATION

Opinion

We have audited the financial statements of Quadrature Climate Foundation (the 'charitable company') for the year ended 30 June 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2020 and of its 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUADRATURE CLIMATE FOUNDATION (CONTINUED)

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

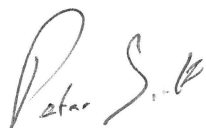
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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 Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUADRATURE CLIMATE FOUNDATION
(CONTINUED)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Scott (Senior Statutory Auditor)

for and on behalf of

Rees Pollock

Chartered Accountants Statutory Auditor

35 New Bridge Street

London

EC4V 6BW

1 February 2021

Quadrature Climate Foundation**(A Company Limited by Guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
For the Period Ended 30 June 2020**

| | Note | Unrestricted funds 2020 £ | Total funds 2020 £ |
|------------------------------------|------|------------------------------------|-----------------------------|
| Income from: | | | |
| Donations and legacies | 2 | 30,818,928 | 30,818,928 |
| Interest | | 36 | 36 |
| | | <u>30,818,964</u> | <u>30,818,964</u> |
| Total income | | | |
| Expenditure on: | | | |
| Charitable activities | | 21,348,310 | 21,348,310 |
| Other expenditure | 4 | 2,977,893 | 2,977,893 |
| | | <u>24,326,203</u> | <u>24,326,203</u> |
| Total expenditure | | | |
| | | <u>6,492,761</u> | <u>6,492,761</u> |
| Net movement in funds | | | |
| Reconciliation of funds: | | | |
| Net movement in funds | | 6,492,761 | 6,492,761 |
| | | <u>6,492,761</u> | <u>6,492,761</u> |
| Total funds carried forward | | | |

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 19 to 27 form part of these financial statements.

Quadrature Climate Foundation
(A Company Limited by Guarantee)
Company registered number: 12194319

BALANCE SHEET
As at 30 June 2020

| | Note | 2020 £ |
|--|------|-------------------------|
| Fixed assets | | |
| Tangible assets | 8 | 7,111 |
| | | <u>7,111</u> |
| Current assets | | |
| Debtors | 9 | 4,095 |
| Cash at bank and in hand | | 8,167,767 |
| | | <u>8,171,862</u> |
| Creditors: amounts falling due within one year | 10 | <u>(1,686,212)</u> |
| Net current assets | | <u>6,485,650</u> |
| Total assets less current liabilities | | <u>6,492,761</u> |
| Total net assets | | <u><u>6,492,761</u></u> |
| Charity funds | | |
| Restricted funds | 11 | - |
| Unrestricted funds | 11 | 6,492,761 |
| Total funds | | <u><u>6,492,761</u></u> |

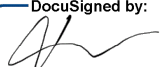
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 29 January 2021 and signed on their behalf by:

DocuSigned by:

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G H Skinner
 Trustee

DocuSigned by:

 4588827FA183461...

J Hooke
 Trustee

The notes on pages 19 to 27 form part of these financial statements.

Quadrature Climate Foundation
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
For the Period Ended 30 June 2020

| | 2020 |
|---|------------------|
| | £ |
| Cash flows from operating activities | |
| Net cash used in operating activities | 8,167,767 |
| | <hr/> |
| Change in cash and cash equivalents in the period | 8,167,767 |
| | <hr/> |
| Cash and cash equivalents at the end of the period | 8,167,767 |
| | <hr/> <hr/> |

The notes on pages 19 to 27 form part of these financial statements

Quadrature Climate Foundation

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS For the Period Ended 30 June 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Quadrature Climate Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that QCF has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

1.4 Incoming resources

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

Quadrature Climate Foundation**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 30 June 2020****1. Accounting policies (continued)****1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| | |
|--------------------|-----------|
| Office equipment | - 4 years |
| Computer equipment | - 4 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle that obligation can be measured or estimated reliably. Creditors and provisions are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

Quadrature Climate Foundation**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 30 June 2020****1. Accounting policies (continued)****1.11 Pensions**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Income from donations and legacies

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-----------|--|---------------------------------------|
| Donations | 30,818,928 | 30,818,928 |

Quadrature Climate Foundation**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS**
For the Period Ended 30 June 2020**3. Analysis of grants**

| | Grants to Institutions 2020 £ | Total funds 2020 £ |
|----------------|--|---------------------------------------|
| Grants awarded | 21,348,310 | 21,348,310 |

During the year the Foundation made grants in excess of £399,000 to the following institutions:

| | 2020 £ |
|--|-------------------|
| 10:10 Foundation Possible | 415,000 |
| 350.org | 810,649 |
| Canopy Planet Society | 500,000 |
| Clean Air Task Force, Inc. | 1,200,000 |
| The Climate Group (Climate Change Organisation) | 510,000 |
| Climate Subak | 450,000 |
| Energy Climate Intelligence Unit (ECIU) | 400,000 |
| Energy Transition (ETC/Rocky Mountain Institute) China | 430,000 |
| Global Coal Campaign (Stichting SED Fund) | 4,030,613 |
| Green Finance Institute | 540,000 |
| Growald Family Fund | 4,877,176 |
| Make My Money Matter | 400,000 |
| Map Biomas | 458,015 |
| New Automotive | 425,000 |
| Rights & Resources Initiative | 806,543 |
| Rocky Mountain Institute | 1,003,698 |
| UK100 | 400,000 |
| Woods Hole Research Centre | 812,863 |
| Other grants to institutions | 2,878,753 |
| | 21,348,310 |

The Foundation has entered into commitments that may result in further grants totalling £42,804,909 being paid to institutions in future years. These payments are subject to criteria that need to be satisfied by the recipient and are dependent on the Foundation having appropriate funds available to finance them. All future payments are subject to the Foundation's discretion and, as such, liabilities for these grants have not been recognised at 30 June 2020.

Quadrature Climate Foundation**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS**
For the Period Ended 30 June 2020**4. Other expenditure**

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|--|---------------------------------------|
| Admin expenses | 106,019 | 106,019 |
| Finance costs | 249 | 249 |
| Foreign Exchange Gain | (142,659) | (142,659) |
| Consulting fees | 1,898,603 | 1,898,603 |
| Legal and professional fees | 807,417 | 807,417 |
| Wages and Salaries | 267,719 | 267,719 |
| Employer's National Insurance | 35,282 | 35,282 |
| Pension costs | 3,115 | 3,115 |
| Other staff costs | 1,819 | 1,819 |
| Depreciation | 329 | 329 |
| | <u>2,977,893</u> | <u>2,977,893</u> |

5. Auditors' remuneration

Legal and professional fees (note 4) include the following:

| | |
|--|---------------------|
| | 2020 £ |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 6,000 |
| Fees payable to the Company's auditor in respect of: | |
| All non-audit services not included above | 5,500 |
| | <u>5,500</u> |

Quadrature Climate Foundation**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 30 June 2020****6. Staff costs**

| | 2020 £ |
|--|-----------------------|
| Wages and salaries | 267,719 |
| Social security costs | 35,282 |
| Contribution to defined contribution pension schemes | 3,115 |
| | <u>306,116</u> |

The average number of persons employed by the Company during the period was as follows:

| | 2020 No. |
|-----------|---------------------|
| Employees | <u>3</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2020 No. |
|---------------------------------|---------------------|
| In the band £90,001 - £100,000 | 1 |
| In the band £130,001 - £140,000 | 1 |

Staff included above are considered to be key management personnel of the charitable company.

7. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period ended 30 June 2020, no Trustee expenses have been incurred.

Quadrature Climate Foundation**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS**
For the Period Ended 30 June 2020**8. Tangible fixed assets**

| | Office equipment £ | Computer equipment £ | Total £ |
|-----------------------|--------------------------|----------------------------|---------------------|
| Cost | | | |
| Additions | 315 | 7,125 | 7,440 |
| At 30 June 2020 | <u>315</u> | <u>7,125</u> | <u>7,440</u> |
| Depreciation | | | |
| Charge for the period | - | 329 | 329 |
| At 30 June 2020 | <u>-</u> | <u>329</u> | <u>329</u> |
| Net book value | | | |
| At 30 June 2020 | <u><u>315</u></u> | <u><u>6,796</u></u> | <u><u>7,111</u></u> |

9. Debtors

| | |
|--------------------------------|--------------|
| | 2020 £ |
| Due within one year | |
| Prepayments and accrued income | 4,095 |
| | <u>4,095</u> |

10. Creditors: Amounts falling due within one year

| | |
|--------------------------------|------------------|
| | 2020 £ |
| Trade creditors | 206,960 |
| Other creditors | 7,021 |
| Accruals and deferred income | 104,131 |
| Grants payable - institutional | 1,368,100 |
| | <u>1,686,212</u> |

Details of future grant commitments are given in note 3 to the accounts.

Quadrature Climate Foundation

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 30 June 2020

11. Statement of funds

Statement of funds - current period

| | Income £ | Expenditure £ | Balance at 30 June 2020 £ |
|---------------------------|-------------------|---------------------|------------------------------------|
| Unrestricted funds | | | |
| General Funds - all funds | 30,818,964 | (24,326,203) | 6,492,761 |
| | <u>30,818,964</u> | <u>(24,326,203)</u> | <u>6,492,761</u> |

12. Analysis of net assets between funds

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 7,111 | 7,111 |
| Current assets | 8,171,862 | 8,171,862 |
| Creditors due within one year | (1,686,212) | (1,686,212) |
| Total | <u>6,492,761</u> | <u>6,492,761</u> |

13. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2020 £ |
|--|------------------|
| Net income for the period (as per Statement of Financial Activities) | 6,492,761 |
| Adjustments for: | |
| Depreciation charged | 329 |
| Purchase of tangible fixed assets | (7,440) |
| Decrease/(Increase) in debtors | (4,095) |
| Increase in creditors | 1,686,212 |
| Net cash provided by operating activities | <u>8,167,767</u> |

Quadrature Climate Foundation**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 30 June 2020****14. Analysis of cash and cash equivalents**

| | |
|--|------------------|
| | 2020 |
| | £ |
| Cash at bank | 8,167,767 |
| Total cash and cash equivalents | 8,167,767 |

15. Analysis of Net Debt

| | | |
|--------------------------|-------------------|-------------------|
| | Cash flows | At 30 June |
| | £ | 2020 |
| | | £ |
| Cash at bank and in hand | 8,167,767 | 8,167,767 |
| | 8,167,767 | 8,167,767 |

16. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and amounted to £3,115. At 30 June 2020 contributions of £3,115 were unpaid and included in other creditors.

17. Related party transactions

During the period, donations of £30,818,928 were received from Quadrature Capital Limited (QCL), a company controlled by two of the Foundation's trustees. Expenditure of £1,846,049 was incurred by QCL on behalf of the Foundation and recharged at cost. A total of £16,464 was due to QCL at the period end and is included in creditors (note 10).