

**REGISTERED COMPANY NUMBER: 11813153 (England and Wales)**

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2025**

Shaw Gibbs Limited  
Wey Court West  
Union Road  
Farnham  
Surrey  
GU9 7PT

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

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**for the year ended 31 March 2025**

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**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**REPORT OF THE TRUSTEES**  
**for the year ended 31 March 2025**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of 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).

Contained within the SORP are requirements pertaining to the trustees' assessment as to the charity's ability to continue as a going concern and that, if so determined, the accounts are prepared on this basis. This matter has been determined in the positive and supported by resolution of the trustees dated 30 June 2025. The trustees' analysis of grant funding negotiations occurring both prior and subsequent to the 31 March 2025 balance date which support this positive conclusion are outlined variously in this Report of the Trustees and the Notes to the Financial Statements.

## **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

### **REPORT OF THE TRUSTEES** **for the year ended 31 March 2025**

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

##### **Purposes and Aims**

Our charity's environmental purposes as set out in the objects contained in the company's memorandum of association are:

advancing the protection, preservation and conservation of the physical and natural environment for the public benefit, in particular but not exclusively by:

- 1) researching strategies and mechanisms that may assist to facilitate a rapid, orderly and efficient re-allocation of capital to business and investment activities that promote sustainable development and the transition to a global low carbon economy to address the threat of catastrophic climate change, and publishing the useful results of that research.
- 2) researching the material risks of future legal liabilities thereby motivating a behavioural shift in which company directors and pension fund trustees take account of physical climate change risk and societal responses to climate change in corporate and investment decision-making;
- 3) promoting the integration of the financial risks and opportunities of climate change across all facets of corporate governance and investment practice; and
- 4) educating the public in all matters relating to the law, practice and administration of justice in connection with climate change, sustainable development and the conservation and protection of the environment and the prudent use of natural resources.

##### **Ensuring our work delivers our aims**

We work to achieve our aims by undertaking legal research and stakeholder engagement to accelerate understanding of climate and biodiversity risk by applying existing companies and securities laws to drive a rapid and orderly transition to a net zero emissions economy. We produce legal research on fiduciary duties and practical tools on how to integrate the risks and opportunities of climate change into corporate governance, in order to minimize the risk of personal liability for directors and officers and maximize near term efforts in the transition to a sustainable economy.

##### **Public benefit**

Although we direct our activities to corporate directors and investor fiduciaries (and the actors that advise them, such as lawyers and accountants, or influence or supervise them, such as financial regulators) the beneficiaries of their improved understanding of the legal risks and subsequent improvements in corporate and investor governance and disclosure are the public at large. This is because we all benefit from efforts to accelerate the transition to a net zero emissions and regenerative economy by mitigating dangerous climate change and addressing biodiversity loss. Our legal analysis is freely available online and we focus on free events that are open to the public. If an event is closed to the public, this is to enable high level attendees in the corporate, regulatory, or legal communities to have safe space to learn and collaborate.

## **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

### **REPORT OF THE TRUSTEES** **for the year ended 31 March 2025**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

##### **The focus of our work**

The CCLI was launched in 2015 by His Royal Highness, the Prince of Wales, as a collaborative project between Oxford University Smith School of Enterprise and the Environment and UK charities ClientEarth and Accounting for Sustainability (A4S). The project was spun out, in 2019, from its administrative umbrella of the University of Oxford to operate as a charitable company limited by guarantee. The company is funded by environmental philanthropy and research grants.

The CCLI works towards an economic ecosystem in which decision-makers are educated and advised on climate and nature crises as risks to their companies and investments, rather than perceiving them as external ethical or environmental issues, and on what the law requires or permits them to do with this information. Our work examines the legal basis for directors and trustees to manage and report on climate change and nature-related risk under existing companies and securities law. We commission legal opinions from independent experts within a jurisdiction to build the authoritative evidence base and shift the mainstream understanding of the requirements of corporate and securities laws as they relate to climate change and other nature crises.

We inform directors, fiduciaries, investors, professional advisers and regulators of the potential for personal liability of directors and fiduciaries in relation to the impacts of climate change, through robust legal analysis and impact engagement strategies. We also provide practical tools for directors and fiduciaries to integrate the risks and opportunities of climate change into corporate governance and disclosure. One of our key principles is a focus on being outcome-focused and evidence-led.

The CCLI has carried out work in jurisdictions worldwide and has seen increased awareness of climate change risk and its impacts on business and investment models during this time. In our experience, the nature of fiduciary and disclosure laws (by which relevant decision-makers may face personal liability for breaches) makes them an important lever for changing decision-making behaviour. By bringing decision-makers' attention to this, and by working with their advisors and civil society, we aim to drive behaviour changes on an individual level in order to accelerate the transition to a net zero emissions economy in line with the Paris goals.

Significantly in 2024-25, CCLI has been able to secure further funding enabling the company to continue and modestly expand its groundbreaking work examining the legal basis for directors and trustees to consider, manage and report on climate change, and the circumstances which may give rise to liability. This has occurred against the backdrop of significant management effort in the year towards defining a suitable basis of strategic and operational growth along with identifying complementary grant-based financing. Circumstances adversely impacting on the latter of these endeavours which span 2024-25 and into the subsequent year have prompted the Trustees to give specific reference in their assessment of the company as a going concern.

## **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

### **REPORT OF THE TRUSTEES** **for the year ended 31 March 2025**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

During the financial year ended 31 March 2025, CCLI continued to develop its legal research and engagement on climate and nature risks while managing a period of organisation transition. In October 2024, CCLI appointed a new Executive Director, alongside the recruitment of a part-time Communications Manager (October 2024) and an Operations and Finance Manager (December 2024). These hires brought greater stability after earlier challenges with staff illness and turnover. A staff strategy offsite in January 2025 allowed the team to reflect on CCLI's theory of change and the substantial work already undertaken and provided a more structured basis for the next phase of activity.

Building on outputs delivered in 2023-2024, CCLI progressed significant projects. In March 2025, CCLI published an updated report on Japanese directors' duties in relation to climate and biodiversity risk and co-hosted a webinar with the Japan Climate Leaders' Partnership. The launch webinar attracted over 320 participants, including directors, lawyers, regulators and financial professionals, and the report has since been downloaded more than 600 times. The publication coincided with Japan's adoption of ISSB-aligned sustainability standards, significantly amplifying its relevance. Feedback confirmed that the report is influencing policy discussions within Japan's Financial Services Agency and governance practices across major institutions. During this reporting period, CCLI also undertook substantial preparatory work towards commissioning a new legal opinion on Canadian directors' duties in relation to nature risks. This included developing briefing materials, engaging senior counsel, and coordinating with industry networks to ensure the opinion reflects both fiduciary obligations and Indigenous rights considerations. The opinion will be launched in July 2025.

In parallel, CCLI continued to collaborate with the Climate Governance Initiative on the global Directors' Duties Navigator tool, which now covers 33 countries and the EU. Since its launch in 2021, the Navigator has attracted over 70,000 views, underscoring its utility to directors and their advisors. We also co-authored a new board briefing, Nature and the board: What directors must understand and act on, shared with senior governance leaders through the World Economic Forum.

Beyond research and publications, CCLI expanded its convening and engagement activities. CCLI hosted quarterly biodiversity litigation roundtables involving over 60 participants globally. In late 2024 and early 2025, sessions focused on trade-offs between climate action, biodiversity and social justice in areas such as voluntary carbon markets and transition minerals, deepening understanding of systemic risks. We were also invited to speak at a webinar hosted by the Taskforce on Nature-related Financial Disclosures (TNFD) on Boards and Nature (July 2024), hold a workshop for the Governance Professionals of Canada ESG certificate (September 2024), and to host a major session at the UNEP-WCMC Nature Action Dialogues (March 2025) to pilot behavioural science tools to empower corporate leaders to integrate nature risks into boardroom decisions.

CCLI's influence was recognised with a shortlist for NGO of the Year at the 2025 edie Awards.

#### **FINANCIAL REVIEW**

##### **Financial position**

The charity secured funding of £184,258 (please refer to Note 2). This positive financial outcome in its fifth year of operation continues to reflect the proof of concept, legal expertise and reputation built by the trustees and their teams while the CCLI operated until 2019 as a project under the auspices of the University of Oxford.

## **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

### **REPORT OF THE TRUSTEES** **for the year ended 31 March 2025**

#### **FINANCIAL REVIEW**

##### **Principal funding sources**

The charity receives restricted funding from environmental philanthropy. This is from direct grants (from funders Foundation for International Law for the Environment and Full Circle Foundation) the latter of which had in 2022-23 enabled the charity to substantially expand its focus to include examining the acceleration of business and investor action on biodiversity through fiduciary duty.

The charity has previously received sub-grants from the UK charity ClientEarth and research or academic funding from the University of British Columbia and may in future receive these from Oxford University.

##### **Reserves policy**

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. The trustees have established an aspiration whereby the unrestricted funds not committed to projects or invested in tangible fixed assets held by the charity should be between 3 to 6 months of expenditure. However, with low operating costs, the trustees do not deem it necessary to put an exact figure on this. The prior year's negative reserves from unrestricted funds of £9,106 has been reduced to zero through recognition of accounting fees and other overheads as expenditure within the scope of the contract with CCLI's main funder. Nevertheless, if restricted funds do not come in, the charity will wind down its activities to not incur liabilities. All employee salaries are covered by restricted funds.

Funding comes in lump sum grants of restricted funds, which may be recognised in one year, and spent over the course of multiple years in accordance with charitable activities planned and approved by the relevant funder. The present level of unspent restricted funds available to the charity amounts to £213,808 (£373,210 in 2023) (please refer to Note 12).

In light of the Trustees' assessment of uncertainties as to the company's ability to continue as a going concern and the predominance of restricted funding, it was further resolved by the trustees at their 30 June 2025 meeting, that were the company unable to secure core funding to ensure the company, at any moment in time, has funds to continue operating for the next three months then the Trustees will address whether it is appropriate to wind up the company. The trustees believe this accords with the intent of charities' regulation and the avoidance of wrongful trading.

##### **The going concern assessment**

Described below in Note 14 to the Financial Statements is the fund Global FD sourced from the Foundation for International Law for the Environment (FILE) which, whilst a restricted fund, provides through an agreed budget the primary source of funding for core staff, organisational activities and overheads.

## **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

### **REPORT OF THE TRUSTEES** **for the year ended 31 March 2025**

#### **FUTURE PLANS**

In 2025-2026, CCLI will expand its remit to place a stronger emphasis on investors' duties to address climate and nature-related risks, with an initial focus on the United States, supported by project funding from the Generation Foundation. At the same time, we will continue to engage in work on directors' duties, particularly in Canada and the Philippines, building on our existing initiatives.

A key priority for the year will be embedding robust and effective governance practices through practical, industry-specific tools and resources, such as board handbooks and sector-specific guides, aimed at driving tangible behavioural shifts. We will continue to work closely with influential stakeholders and standard setters, including the TNFD, with whom we have developed a strong collaborative relationship.

CCLI will maintain its approach of partnering with organisations such as the CGI and other director networks, recognising that such collaborations are essential to amplifying the impact of our work and ensuring meaningful change in governance practices.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The CCLI is controlled by its governing document, a memorandum of association, and is constituted as a company limited by guarantee, as defined by the Companies Act 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

##### **Recruitment and appointment of new trustees**

In accordance with the company's Articles one third of the trustees are required to resign at each AGM after the financial year, although they are entitled to be nominated for re-election. The trustees are experts in the field of law, accounting, sustainable finance, and academia. They bring this substantive expertise to the charitable activities on legal research and stakeholder engagement, as well as their governance of the charity. New and replacement trustees will be recruited where a need is identified and suitable training and induction provided to enable them to fulfil their role.

Consistent with the Trustee's assessment of the company as a going concern, two additional trustees have been appointed effective 11 August 2025 with the intention that their respective expertise will contribute to identification and pursuit of a secure and sustainable basis of operation for the company.



## **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

### **REPORT OF THE TRUSTEES** **for the year ended 31 March 2025**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

During part of the reporting period the company was managed on an interim basis by a board trustee, Prof. C. Williams. In October 2024, the company recruited a permanent Executive Director, Ms. N. Shippen, who was in the following month appointed to the board. As a small charity, this enables the Executive Director to have the powers to manage the day-to-day operations of the company, such as authority for banking and entry into contracts in accordance with the delegation granted by the Board, while also being able to play a role in governance activities alongside other trustees. The Executive Director leads a small team of employees (which at the end of the reporting period consisted of the equivalent of four FTE employees), and research assistants and legal experts engaged on a consultancy basis. In light of subsequent grant funding constraints staffing numbers have been reduced as part of necessary cost-base adjustments.

The company has been constituted as a charitable company, and the articles of association have been modelled on that of a charitable company. The company is registered with the Charity Commission under registration number 1203501.

##### **Risk management**

The major risks to which the charity is exposed as identified by the trustees have been reviewed and systems have been established to mitigate those risks. These risks pertain to ensuring continuity of core funding within reasonable time horizons and ensuring the publications, particularly legal opinions, are of the highest calibre.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

11813153 (England and Wales)

##### **Registered Charity number**

1203501

##### **Registered office**

128 City Road  
London  
EC1V 2NX

##### **Trustees**

Dr J A Purcell, Accountant and Ph. D in Law

Ms S A Kilgour, Solicitor

T O Wetzer, Legal Academic

Professor C Williams, Legal Academic

Professor E Lim, Legal Academic

Mrs N Shippen, Lawyer (appointed 16.11.24)

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**REPORT OF THE TRUSTEES**  
**for the year ended 31 March 2025**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent Examiner**  
Andrew Hodgetts BA FCA  
Shaw Gibbs Limited  
Wey Court West  
Union Road  
Farnham  
Surrey  
GU9 7PT

Approved by order of the board of trustees on 8th December 2025 and signed on its behalf by:

Signed by:  
  
B6DFC47E98EC410.....  
Dr J A Purcell - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**Independent examiner's report to the trustees of Commonwealth Climate And Law Initiative ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Hodgetts BA FCA  
The Institute of Chartered Accountants in England and Wales

Shaw Gibbs Limited  
Wey Court West  
Union Road  
Farnham  
Surrey  
GU9 7PT

Date: 10-12-25

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the year ended 31 March 2025**

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds as restated £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	184,258	184,258	332,483
Investment income	3	<u>1,722</u>	<u>(1)</u>	<u>1,721</u>	<u>1</u>
<b>Total</b>		<u>1,722</u>	<u>184,257</u>	<u>185,979</u>	<u>332,484</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Research and Education		<u>2,303</u>	<u>342,532</u>	<u>344,835</u>	<u>248,432</u>
<b>NET INCOME/(EXPENDITURE)</b>					
Transfers between funds	12	<u>(581)</u> <u>1,127</u>	<u>(158,275)</u> <u>(1,127)</u>	<u>(158,856)</u> <u>-</u>	<u>84,052</u> <u>-</u>
<b>Net movement in funds</b>		546	(159,402)	(158,856)	84,052
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		-	373,210	373,210	289,158
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>546</u>	<u>213,808</u>	<u>214,354</u>	<u>373,210</u>

The notes form part of these financial statements

**COMMONWEALTH CLIMATE AND LAW INITIATIVE****BALANCE SHEET****31 March 2025**

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds as restated £
<b>FIXED ASSETS</b>					
Tangible assets	9	-	543	543	827
<b>CURRENT ASSETS</b>					
Debtors	10	36	6,139	6,175	-
Cash at bank		<u>510</u>	<u>235,867</u>	<u>236,377</u>	<u>380,899</u>
		546	242,006	242,552	380,899
<b>CREDITORS</b>					
Amounts falling due within one year	11	-	(28,741)	(28,741)	(8,516)
<b>NET CURRENT ASSETS</b>		<u>546</u>	<u>213,265</u>	<u>213,811</u>	<u>372,383</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>546</u>	<u>213,808</u>	<u>214,354</u>	<u>373,210</u>
<b>NET ASSETS</b>		<u>546</u>	<u>213,808</u>	<u>214,354</u>	<u>373,210</u>
<b>FUNDS</b>	12				
Unrestricted funds				546	-
Restricted funds				<u>213,808</u>	<u>373,210</u>
<b>TOTAL FUNDS</b>				<u>214,354</u>	<u>373,210</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2025 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**BALANCE SHEET - continued**

**31 March 2025**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 8<sup>th</sup> December 2025 and were signed on its behalf by:

Signed by:  
  
.....B6DFC47E98EC410.....  
J A Purcell - Trustee

The notes form part of these financial statements

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and on the basis of the company being a going concern.

**Going concern**

The Trustees acknowledge the requirements set out in para. 3.14 of the Charities SORP and the underlying guidance provided in para. 26 of IAS1 Presentation of Financial Statements and have assessed post balance date events and related prospective information relating to financial resources as supporting a positive conclusion as to the charity's ability to continue as a going concern. The Trustees' deliberations on this matter are variously set out in their Report which accompanies these Financial Statements and within the further Notes to the Financial Statements and are supported by Resolutions of the Directors/ Trustees. The Trustees further acknowledge the requirement of para. 1.23 of the Charities SORP that such assessment be made at the date of approving the report and accounts and accordingly do so by way of a Resolution approving the Report of the Trustees and the Financial Statements.

The trustees note that it has been necessary to implement adjustments to the company's cost base in response to the changing funding conditions and nevertheless remain confident that prospective grant negotiations will crystallise funding enabling operations to continue beyond the current known funding horizon of July 2026.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**1. ACCOUNTING POLICIES - continued**

**Taxation**

As a registered charity the company is not subject to Corporation tax to the extent that it applies its surpluses for its stated charitable purposes. The company was not registered for VAT in the reporting period and as such is unable to recover VAT on the costs which it incurs. The company is subject to standard payroll taxes as an employer.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. DONATIONS AND LEGACIES**

	2025	2024 as restated
	£	£
Grants	<u>184,258</u>	<u>332,483</u>

Grants received, included in the above, are as follows:

	2025	2024 as restated
	£	£
ClientEarth	-	5,482
Full Circle	70,000	-
Foundation for International Law for the Environment	<u>114,258</u>	<u>327,001</u>
	<u>184,258</u>	<u>332,483</u>



**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**3. INVESTMENT INCOME**

	2025	2024 as restated
	£	£
Interest receivable	<u>1,721</u>	<u>1</u>

**4. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024 as restated
	£	£
Depreciation - owned assets	<u>475</u>	<u>587</u>

**5. TRUSTEES' REMUNERATION AND BENEFITS**

	2025	2024 as restated
	£	£
Trustees' salaries	26,781	28,763
Trustees' consultancy fees	23,129	-
Trustees' social security	3,260	-
Trustees' pensions paid	<u>417</u>	<u>223</u>
	<u>53,587</u>	<u>28,986</u>

2024 Trustees salaries shown above also includes amounts paid under consultancy agreements.

In 2024, Mrs N Shippen, a Trustee of the Charity, received remuneration of £26,781 (2023 - £NIL) and Mr J Purcell received £23,129 (2023 - £19,540) for consultancy work.

**Trustees' expenses**

During the year, expenses were reimbursed to N. Shippen in the amount of £1,913 (2023: £nil) and to J. Purcell in the amount of £2,593 (2023: £5,488), relating to travel costs incurred while undertaking their duties on behalf of the charity.

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**6. STAFF COSTS**

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

	2025	2024 as restated
Management and staff	<u>4</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

**7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds as restated £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	-	332,483	332,483
Investment income	<u>-</u>	<u>1</u>	<u>1</u>
<b>Total</b>	<u>-</u>	<u>332,484</u>	<u>332,484</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Research and Education	<u>-</u>	<u>248,432</u>	<u>248,432</u>
<b>NET INCOME</b>	-	84,052	84,052
Transfers between funds	<u>9,106</u>	<u>(9,106)</u>	<u>-</u>
<b>Net movement in funds</b>	9,106	74,946	84,052
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	(9,106)	298,264	289,158
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>-</u>	<u>373,210</u>	<u>373,210</u>

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**8. PRIOR YEAR ADJUSTMENT**

The split of personnel costs between those attributable to direct charitable activities and those attributable to support costs has been updated in the 2025 figures to more accurately reflect the nature of work carried out. The 2024 comparative figures have been restated to reflect this updated basis of allocation. The restatement has no impact upon the net result reported for 2024.

**9. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>COST</b>	
At 1 April 2024	2,349
Additions	620
Disposals	<u>(896)</u>
At 31 March 2025	<u>2,073</u>
<b>DEPRECIATION</b>	
At 1 April 2024	1,522
Charge for year	475
Eliminated on disposal	<u>(467)</u>
At 31 March 2025	<u>1,530</u>
<b>NET BOOK VALUE</b>	
At 31 March 2025	<u>543</u>
At 31 March 2024	<u>827</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2025	2024 as restated
	£	£
Other debtors	184	-
Prepayments and accrued income	<u>5,991</u>	<u>-</u>
	<u>6,175</u>	<u>-</u>

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2025	2024 as restated
	£	£
Other creditors	1,089	212
Accrued expenses	<u>27,652</u>	<u>8,304</u>
	<u>28,741</u>	<u>8,516</u>

**12. MOVEMENT IN FUNDS**

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
<b>Unrestricted funds</b>				
General fund	-	(581)	1,127	546
<b>Restricted funds</b>				
Asia	24,449	(20,657)	(3,792)	-
Biodiversity	65,620	(15,423)	(40,294)	9,903
Global FD	236,751	(122,195)	45,482	160,038
US	43,533	-	-	43,533
UBC Fund	<u>2,857</u>	<u>-</u>	<u>(2,523)</u>	<u>334</u>
	<u>373,210</u>	<u>(158,275)</u>	<u>(1,127)</u>	<u>213,808</u>
<b>TOTAL FUNDS</b>	<u>373,210</u>	<u>(158,856)</u>	<u>-</u>	<u>214,354</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,722	(2,303)	(581)
<b>Restricted funds</b>			
Asia	1	(20,658)	(20,657)
Biodiversity	70,000	(85,423)	(15,423)
Global FD	<u>114,256</u>	<u>(236,451)</u>	<u>(122,195)</u>
	<u>184,257</u>	<u>(342,532)</u>	<u>(158,275)</u>
<b>TOTAL FUNDS</b>	<u>185,979</u>	<u>(344,835)</u>	<u>(158,856)</u>

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**12. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
<b>Unrestricted funds</b>				
General fund	(9,106)	-	9,106	-
<b>Restricted funds</b>				
Asia	9,379	-	15,070	24,449
Biodiversity	129,437	(81,672)	17,855	65,620
Global FD	106,648	165,724	(35,621)	236,751
US	52,443	-	(8,910)	43,533
UBC Fund	357	-	2,500	2,857
	<u>298,264</u>	<u>84,052</u>	<u>(9,106)</u>	<u>373,210</u>
<b>TOTAL FUNDS</b>	<u>289,158</u>	<u>84,052</u>	<u>-</u>	<u>373,210</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Restricted funds</b>			
Biodiversity	-	(81,672)	(81,672)
Global FD	<u>332,484</u>	<u>(166,760)</u>	<u>165,724</u>
	<u>332,484</u>	<u>(248,432)</u>	<u>84,052</u>
<b>TOTAL FUNDS</b>	<u>332,484</u>	<u>(248,432)</u>	<u>84,052</u>

**13. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2025.

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**14. FUNDS**

**Asia**

The Asia fund was a £92,750 grant received from Full Circle Foundation for an 18-month legal research and stakeholder engagement project in Hong Kong, India and Singapore, applying existing company law frameworks to the issue of climate change in order to drive a rapid and orderly transition towards a sustainable economy. So many of the decisions concerning the future of climate change are being made in financial centres in Asia today. The CCLI aims to build climate litigation and liability into decision-making in these jurisdictions, which will help to motivate a step change in action among company directors and other fiduciaries. We do so by commissioning legal opinions from independent counsel in order to fill an identified knowledge gap on the application of directors' and fiduciaries' existing legal duties under the laws of Singapore, Hong Kong and India to the issue of climate change, which will help other stakeholders across the spectrum, from regulators through to activist NGOs, working to transform business and investment relating to climate change

**Biodiversity**

The biodiversity fund was a £138,500 grant received from Full Circle Foundation (FCF) for an 24-month legal research and stakeholder engagement project for accelerating business and investor action on biodiversity through fiduciary duty. The objective of the project is to shift mainstream understanding of how fiduciary duty applies to the financial issues of loss of biodiversity and ecosystem services in order to help price biodiversity risk, drive capital towards biodiversity positive solutions, and drive the transition towards a regenerative economy that protects and restores biodiversity. Biodiversity loss can be characterised as a substantial market failure, in which corporations are able to both drive biodiversity loss, and externalise the costs of doing so, at the same time as being vulnerable to the economic effects of such loss. The CCLI aims in this project to build the evidence base to demonstrate that biodiversity loss poses risks to businesses and investments which needs to be considered by directors and other fiduciaries. Through its conducting of legal analysis and researching biodiversity loss as a business risk, financial risk and legal risk, CCLI intends to produce practical tools on biodiversity governance and disclosure.

Building on this work, CCLI has secured a new grant of £70,000 from FCF for August 2025-July 2026 for the project "Reimagining Business: Biodiversity Risk as a Business Imperative." This grant will support global system interventions, focusing on embedding biodiversity risk into corporate and investor decision-making. The project will deliver practical resources, including board handbooks and industry-specific guides, and will continue to strengthen CCLI's engagement with influential stakeholders, regulators, and standard setters, ensuring that biodiversity risk is treated as a material financial and governance issue.

## **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the year ended 31 March 2025**

#### **14. FUNDS - continued**

##### **Global FD**

The initial Global FD fund was a £649,070 fund received in three tranches from Foundation for International Law for the Environment (FILE) over a period of two years and three months for research and education activities to help transform the mainstream understanding of fiduciary duty and climate change. The funding is for CCLI to build capacity and resources to undertake legal research and stakeholder engagement applying existing company law frameworks in common law jurisdictions to the issue of climate change in order to drive a rapid and orderly transition towards a net zero emissions economy that underpins the Paris goals. The fund includes £125,000 to collaborate with behavioural scientists to develop a robust evidence-based approach to behavioural change by directors, officers and trustees in fulfilling their fiduciary duties on climate change. This expert analysis informs the activities and interventions of the CCLI and other civil society and academic actors working to transform corporate and investor decision-making on climate change.

Even though this was restricted funding, the broad nature of the approved budget and activities means this fund operates as de facto core funding for our staff, virtual office expenses and other organisational activities. The goal of the sub-grant, to transform mainstream understanding of fiduciary duty, reflects the core of the charity's aims and charitable activities.

The initial grant concluded at the end of October 2023 after 'no-cost' extensions and was immediately followed by further related grant of £327,000 (USD416,441) for a twelve month term to 31 October 2024, this time to support CCLI to evolve its strategy and determine how its work can continue to have impact in the context of the changing litigation/ ESG landscape. The twelve-month term to 31 October 2024 was then subject to a 'no-cost' extension through to 31 July 2025. In February 2025 this grant was further amended to provide additional 'top up' funding of £114,258 (USD 150,000) and the term of this additional funding also terminates on 31 July 2025.

By March 2025 negotiations had progressed with FILE for a further two-year grant of sufficient level that would allow the company to embark upon a growth strategy that had been endorsed by the trustees. Subsequent to this, and falling after the 31 March 2025 balance date, the company was advised of a likely substantially downward revised grant offer from FILE that would have substantial impact on both current and anticipated scale and focus of operations. This matter was canvassed in detail at a meeting of the trustees which coincided with the company's annual general meeting held on 14 May 2025 and is the context in which trustees are making their assessment of uncertainties about the company's ability to continue as a going concern. In response, the trustees have convened a series of board meetings culminating in the above-mentioned 30 June 2025 meeting to decide a path forward, considering also options such as merger or winding up, and at which based on concluded negotiations with FILE, along with other matters (refer in this Note reference to CE and Generation Foundation), enable a favourable assessment of the company continuing as a going concern. Specifically, the concluded further grant arrangement with FILE is that of funding of US\$250,000 for a term through to 31 July 2026. The impact against the initially proposed expansion and focus of operations is nevertheless significant in terms of staffing (refer Report of the Trustees - Organisational Structure and Note 6 to the Financial Statements), short term operating focus (refer Report of the Trustees - Future Plans) and the need to adopt an overtly conservative reserves policy (refer Report of the Trustees - Financial Review).

**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2025**

**14. FUNDS - continued**

**US**

The US fund is a £90,509 (US \$120,005 contracted) sub-grant from the charity, ClientEarth, for an 18-month project to undertake a series of activities to expand US directors' and officers' knowledge of climate change as a material financial risk and the implications of this for their governance and disclosure of climate change under existing corporate and securities laws.

**UBC**

The UBC is a small sub-grant from the University of British Columbia for £8,602 (CAD \$15,000 contracted) for knowledge mobilisation and amplification in relation to the Canada legal opinion published in July 2025.

**Clarifying US Investors' Legal Duties**

This grant from Generation Foundation though falling in the financial year subsequent to that being reported, does within its first year sum of £250,000 provide an allowance of £42,600 for general staffing and overhead costs aside from that larger amount otherwise regarded as restricted funds, and as such, is relevant to current going concern considerations and broader matters of the company's ability to pay its debts as and when due.



# **COMMONWEALTH CLIMATE AND LAW INITIATIVE**

## **DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

**for the year ended 31 March 2025**

	Unrestricted funds	Restricted funds	2025 Total funds	2024 Total funds as restated £
	£	£	£	
<b>INCOME AND ENDOWMENTS</b>				
<b>Donations and legacies</b>				
Grants	-	184,258	184,258	332,483
<b>Investment income</b>				
Interest receivable	<u>1,722</u>	<u>(1)</u>	<u>1,721</u>	<u>1</u>
<b>Total incoming resources</b>	<b>1,722</b>	<b>184,257</b>	<b>185,979</b>	<b>332,484</b>
<b>EXPENDITURE</b>				
<b>Charitable activities</b>				
Trustees' salaries	-	20,086	20,086	23,010
Trustees' consultancy fees	-	5,782	5,782	-
Trustees' social security	-	2,445	2,445	-
Trustees' pensions paid	-	313	313	178
Wages	-	168,061	168,061	79,282
Social security	-	13,705	13,705	4,359
Pensions	-	3,052	3,052	2,011
Third Party Consulting	-	53,033	53,033	89,503
Rent - event hire	-	-	-	9,588
Travel & Subsistence	674	13,086	13,760	8,399
Staff recruitment cost	-	1,097	1,097	-
Conference and event expenses	297	2,303	2,600	1,411
Work Space hire	<u>-</u>	<u>4,977</u>	<u>4,977</u>	<u>4,474</u>
	<b>971</b>	<b>287,940</b>	<b>288,911</b>	<b>222,215</b>
<b>Support costs</b>				
<b>Management</b>				
Trustees' salaries	-	6,695	6,695	5,753
Trustees' consultancy fees	-	17,347	17,347	-
Trustees' social security	-	815	815	-
Trustees' pensions paid	-	104	104	45
Wages	-	6,486	6,486	-
Social security	-	521	521	-
Insurance	-	3,598	3,598	8,268
Professional fees	-	-	-	255
Work Space hire	-	1,291	1,291	-
Carried forward	-	36,857	36,857	14,321

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**COMMONWEALTH CLIMATE AND LAW INITIATIVE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

**for the year ended 31 March 2025**

	Unrestricted funds	Restricted funds	2025 Total funds	2024 Total funds as restated
	£	£	£	£
<b>Management</b>				
Brought forward	-	36,857	36,857	14,321
General expenses	-	872	872	71
Entertainment	-	-	-	303
IT Consumables	-	6,880	6,880	5,631
Travel	<u>1,332</u>	<u>2,593</u>	<u>3,925</u>	<u>-</u>
	1,332	47,202	48,534	20,326
<b>Governance costs</b>				
Accountancy and legal fees	-	4,915	4,915	3,304
Independent examiner's fee	-	2,000	2,000	2,000
Computer equipment	<u>-</u>	<u>475</u>	<u>475</u>	<u>587</u>
	<u>-</u>	<u>7,390</u>	<u>7,390</u>	<u>5,891</u>
Total resources expended	<u>2,303</u>	<u>342,532</u>	<u>344,835</u>	<u>248,432</u>
Net income	<u>(581)</u>	<u>(158,275)</u>	<u>(158,856)</u>	<u>84,052</u>

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