

Chapter Zero Alliance

Trustee's Report and Financial Statements

1 May 2024 – 31 March 2025

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Reference and Administrative Details

The registered name:	Chapter Zero Alliance
Also known as:	CZA (abbreviation) Climate Governance Initiative (CGI) [branded programme name]
Registration number:	Charity registration number: 1208079 Registered in England and Wales
Registered office	Salisbury House Station Road Cambridge CB1 2LA
Principal office/visiting address:	Chapter Zero Alliance, c/o The Canopy Workspace The Entopia Building 1 Regent Street Cambridge CB2 1GG
Trustees at the point of signing	Julie Baddeley, Yves Hayaux-du-Tilly, Shailesh Ganu, Agnes K.Y. Tai, Charles Ehrhart, Sharon Thorne, Deborah Prentice, Wing Yee Bernice Lee, Carol Bell, Laurel Powers-Freeling, Ronald Zimmern
CEO	Emily Farnworth
Bankers:	Virgin Money UK plc 10th Floor, 177 Bothwell Street Glasgow Scotland, G2 7ER
Professional advice services:	Accountants/Virtual Finance Office: PEM, Salisbury House, Station Road, Cambridge CB1 2LA Auditors: PEM Audit Limited, Salisbury House, Station Road, Cambridge CB1 2LA Solicitors: Penningtons Manches Cooper LLP, Clarendon House, Clarendon Road, Cambridge, CB2 8EE Charity set-up legal advice: HCR Legal, Lancaster House, Nunns Mill Road, Northampton, NN1 SGE IP legal advice: Stobbs (IP) Limited, Building 1000, Cambridge Research Park, Cambridge, CB25 9PD

Trustees' Report

Trustees' Report

The Trustees present their report with the audited financial statements of the charity for the period ended 31 March 2025. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity'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 (FRS 102) (second edition October 2019, effective 1 January 2019).

Structure, Governance and Management

Chapter Zero Alliance was registered with the Charities Commission as an independent Charitable Incorporated Organisation on 1 May 2024.

Organisational history

The Climate Governance Initiative (*CGI, also referred to as the Initiative*) was set up during 2018 by the World Economic Forum. In 2020, Hughes Hall, University of Cambridge, took on the secretariat role in collaboration with the World Economic Forum. The Initiative empowers chairs, non-executive and independent directors on every continent to take climate action by enhancing their knowledge and skills in climate governance.

Due to rapid growth and success of the Initiative at Hughes Hall, the College took the decision that it needed a new home. An independent charity, with dedicated governance and oversight, was formed to facilitate further development and progress, resulting in the creation of Chapter Zero Alliance (CZA) on 1 May 2024.

The legal transfer of the work in relation to the Climate Governance Initiative from Hughes Hall to Chapter Zero Alliance was completed on 31 January 2025, with Chapter Zero Alliance agreeing to take on this work and related activities. All staff and assets were transferred to the new charity on 1 February 2025.

Chapter Zero Alliance's objects are aligned with the mission of the Climate Governance Initiative – a platform that supports Chapters around the world working with board directors to drive effective climate governance – and the mission of Chapter Zero Limited, which is the UK Chapter of the Climate Governance Initiative.

Reporting period

The financial accounts presented in this report cover the period from 1 May 2024 to 31 March 2025, in line with Chapter Zero Alliance's date of incorporation and financial year.

During the period between May 2024 to Dec 2024 an external consultant provided support to the trustees to set up the operational infrastructure needed to enable the transfer of the Climate Governance Initiative team and assets from Hughes Hall to Chapter Zero Alliance.

The Chief Executive Officer and the Associate Director, Operations became the first two employees of the charity on 1 January 2025.

However, Chapter Zero Alliance only became fully operational following the legal transfer of the Climate Governance Initiative team and assets on 31 January 2025. The reported activities in this section reflect

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the period from 1 February 2025 to 31 March 2025. Prior to this date, all activities were carried out under the auspices of Hughes Hall, University of Cambridge.

Subsidiary undertakings

Chapter Zero Alliance has sole membership of Chapter Zero Ltd (taking this over from Hughes Hall), which operates as a company limited by guarantee with its own Board of Directors.

- Chapter Zero Limited, also known as Chapter Zero, was set up in 2019 with a mission to educate and inspire UK Non-Executive Directors to lead on climate in the boardroom.
- Chapter Zero, as a subsidiary of Chapter Zero Alliance, has routinely been included in joint bids to funders as either a named party or sub-grantee, with Chapter Zero Alliance as the lead grantee.

Organisational structure

Chapter Zero Alliance operates as a central hub to and for the Chapter network. The 32 Chapters outside the UK are related to Chapter Zero Alliance in terms of the support that they receive from the central team and shared commitment to the *Climate Governance Initiative Charter* and related goals but operate as legally and fiscally independent organisations.

Chapters, other than Chapter Zero UK, have not received financial support from Chapter Zero Alliance within this reporting period, however, Chapter Zero Alliance was set up with the intention to sub-grant in the future.

The Centre for Climate Engagement, based at Hughes Hall, is a related party with whom Chapter Zero Alliance collaborates closely to share knowledge as the Climate Governance Initiative's founding academic partner.

Governance arrangements

Chapter Zero Alliance was established by three founding Trustees, appointed on 1 May 2024:

- Julie Baddeley
- Laurel Powers-Freeling
- Ron Zimmern

The Trustees made a further two appointments on 1 March 2025:

- Carol Bell
- Wing Yee Bernice Lee

Trustee appointments have been made on the basis of a clear skills and diversity matrix. It was anticipated that the board will grow further in 2025 to broaden the board's range of experience and geographic representation and subsequent to the year end 6 further appointments were made on 1 May 2025:

- Yves Hayaux-du-Tilly
- Shailesh Ganu
- Agnes K.Y. Tai
- Charles Ehrhart
- Sharon Thorne
- Deborah Prentice

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Chapter Zero Alliance's governing document is its constitution as a charitable incorporated organisation (CIO) which may have voting members other than its charity Trustees ('association' model constitution).

Chapter Zero Alliance is run by its board of Trustees which has overall legal responsibility for the operation of the charity. The Trustees have delegated the day-to-day running of Chapter Zero Alliance's programmes and activities to the CEO and management team. The board delegated authority to an interim Finance Working Group ahead of setting up a formal Finance, Risk and Audit Committee. The working group reported back to the board on a regular basis and make recommendations to the board for approval as necessary.

Chapter Zero Alliance's Trustees are briefed on the role of a trustee under Charities Law in England and Wales. They are provided with access to the charity's governing document and an overview of the charity's committees and organisational strategy.

Principal Risks and Uncertainties

The Trustees regularly review the charity's risk register. The board receives updates from senior management on the risks to which the charity is exposed and ensures that appropriate systems are in place to mitigate those risks.

The principal risks identified during the year were:

Risk	Explanation	Management/mitigation
Political	Global and/or economic uncertainty	Active engagement with board directors globally via the Chapter network to ensure CZA is relevant and connected.
Financial	Funding shortfalls, dependency on limited funder sources	Funding pipeline developed to identify and diversify funding sources. Fundraising consultant brought on board to help establish fundraising governance process.
Strategic	Unable to demonstrate clear impact Unable to reach key board directors	Investment in network review project to strengthen Chapter network. Development of monitoring and evaluation systems in 2025, underpinned by clear metrics.
Reputational	Unresolved brand ownership and usage Risks from negative media coverage	Creation of a branding and communication working group to achieve resolution to CZA brand and brand use. Build relationships with Chapters, ambassadors, partners, and funders. Develop an external communications crisis management plan.

The risks so far have proved manageable. The Trustees are satisfied that appropriate plans are in place to develop the required Committees, Working Groups and systems to manage these risks and that they do not pose an immediate threat to the charity's operations.

Trustees' Report

Objectives and Activities

Charitable purpose and public benefit

The objects of Chapter Zero Alliance are to promote, for the benefit of the public, the conservation, protection, preservation and improvement of the physical and natural environment in particular, but not exclusively, by:

- Informing and engaging senior leaders in the private or public sector in order to support them and their organisations to conserve, protect, and improve the physical and natural environment;
- Promoting awareness of the impact of climate change and the need to take positive action in order to prevent or mitigate the causes and/or effects on people and the planet;
- Facilitating debate and contributions on the subject of climate change, its causes and effects;
- Providing information, materials and tools to support leaders in taking decisions that will enable the gradual elimination of the causes of climate change to ensure the continuation of life on our planet;
- Providing access to and disseminating climate change research and current expert knowledge in the areas of science, finance, law and governance in order to support climate mitigation and adaptation and reduce its impact on people and the planet;
- Encouraging, enabling and establishing links of interaction and collaboration between academics, legal and other professionals, and public and private sector boards in order to support them in their objectives to combat climate change;
- The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Future plans, aims and objectives

Chapter Zero Alliance supports and complements the activities of the global Climate Governance Initiative network as a whole and directly funds key activities of Chapter Zero (the UK Chapter). The Climate Governance Initiative has developed a global network of 33 Chapters, now reaching 72 countries, with the objective of equipping chairs, non-executive directors (NEDs) and independent directors with the knowledge and tools required for effective climate governance. This contributes directly to the charity's purpose of promoting the conservation and protection of the natural environment by enabling corporate boards to play an informed role in the transition to a net-zero, climate-resilient economy.

Over the coming years, the charity will prioritise deepening its impact by tailoring support to the needs of different regions and governance contexts, both in countries in which emissions contributions are highest and in emerging economies where emissions are set to grow if they follow a similar path to developed economies. Factors such as the maturity of local economies, the regulatory environment, the level of discourse on climate and nature issues, and prevailing governance structures will influence how support is delivered. The aim is to ensure that board directors have the skills and confidence to promote long-term, sustainable decision-making within the companies they serve.

In recognition of increasing political, economic and social challenges to climate action, the charity recognises the continued need for corporate leadership. The management team is tasked with undertaking a deep dive into the current Climate Governance Initiative strategy to determine the current state of play and to make recommendations for a revised strategy through to 2030 that will deliver impact in light of global changes.

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The work of the charity focuses on:

- Supporting individual Chapters in the network to reach maturity and deliver impact in line with the charity's mission;
- Curation and/or production of freely available content for the Hub platform in the form of published practical guidance, case studies and toolkits;
- Convening peer-learning sessions, webinars, networking events, and roundtables;
- Raising awareness through campaigns, media, and thought leadership;
- Partnering with organisations such as the World Economic Forum, Deloitte, and EBRD to garner pro bono support for events and publications;
- Providing an approved curriculum for Chapters to incorporate into their own professional education programmes and provision of a free online short course; *Climate and Nature in the Boardroom*;
- Structuring an influential, global *Ambassador* network.

Chapter Zero Alliance's priorities within the next 12 months include:

- Developing its strategy to 2030 and related impact model;
- Working with the World Economic Forum to update the 2019 *Principles for Effective Climate Governance*, including the centrality of nature;
- Developing Chapter Zero Alliance's funding pipeline and resourcing plan;
- Establishing sub-granting policies and processes to support the development of the Chapter network and related programmatic activity;
- Reviewing and launching the organisation's brand.

Performance metrics:

The charity reports to its funders at regular intervals. A sample of metrics is listed below:

Chapter Network	# of Chapters established in G20 and other influential countries # of Chapters that are part of the network # of Chapter members % global coverage of emissions (based on Climate Watch Country data)
Professional education	# of Board Directors trained on climate governance # of Chapters offering the CGI climate training module # of attendees on Climate Governance courses run by the Chapters
Resources and events	# of awareness raising materials and tools for effective climate governance available for all board directors % Board Directors who are more confident talking about climate action in the boardroom
Ambassador network	# of members
Partnerships	# of strategic partners
Financial Sector programme	# of participants in the FS Hub/programme # FS Programme Ambassadors # increase in SBTi members # of banks and other FIs participating in online webinars # of click-throughs, downloads of tools Establishment of market-led communities Suveys on effectiveness of materials

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Additional key performance indicators and metrics to understand the charity's progress are currently in development.

Major programmes

- The Accelerating Climate Action on Boards programme, funded by the IKEA Foundation, aims to empower non-executive, or independent, directors (NEDs) to ensure effective climate governance on corporate boards which will manifest in clear, actionable, science- based transition plans to achieve net- zero emissions. The programme is co-funded by ClIFF.
- The Board Action Programme, funded by the Children's Investment Fund Foundation (ClIFF), similarly aims to accelerate the leadership of non-executive, or independent, Chairs and Directors (NEDs) to ensure effective climate governance on corporate boards and funds key activities of Chapter Zero UK.
- The Generation Foundation funded Investment Programme is designed to support NEDs and senior leaders in the financial services sector understand specific issues and challenges and legal obligations with regards to risk, return and impact. This grant also funds work by Chapter Zero focused on engaging UK financial sector NEDs.
- The CGI Network Review Programme funded by Laudes Foundation is designed to strengthen the Chapter network and supports Chapter Zero's provision of targeted resources to financial sector NEDs in the UK.
- The Porticus funded Accelerating Board Engagement on Climate Action Programme focuses on developing regional impact and targeting organisations responsible for the most damaging scope 3 emissions in Southeast Asia. This grant also supports Chapter Zero's engagement with policymakers in the UK.

Achievements and Performance

During the period from May 2024 to February 2025, with the support of an external consultant and working closely with Hughes Hall, the charity's governance structure and the operational infrastructure— including HR, IT, financial management systems and office facilities— were put in place to enable the smooth transfer of the Climate Governance Initiative team and assets from the college to the new charity on 1 February 2025.

During the reporting period of 1 February 2025 to 31 March 2025, Chapter Zero Alliance strengthened global climate governance through its support of the Climate Governance Initiative network, enabling chairs, non-executive directors (NEDs), and independent directors to take effective action on climate change. The charity supported the network of 33 Chapters, focusing on equipping boards with knowledge, tools, and confidence to integrate climate and nature considerations into corporate decision-making.

During this time frame, the following significant activities were undertaken:

- The legal transfer of the Climate Governance Initiative team and assets from Hughes Hall to the new charity was completed (grant funds, staff, assets, partnership agreements, funder agreements);
- The Climate Governance Initiative's Annual Report highlighting the network's achievements was published;

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- The overall approach to CZA's strategic review was agreed and strategy development process launched;
- The final year report for the Children's Investment Fund Foundation *Board Action Programme* grant was written;
- The Chapter network was convened virtually via two *all-Chapter calls*;
- A roundtable meeting for board directors was hosted in Tokyo in collaboration with the World Economic Forum;
- A meeting was held with the World Economic Forum in Geneva to discuss future collaborations;
- The *Climate in the Boardroom* online course was refreshed to include content on nature;
- A further two insight pieces were published on the Climate Governance Hub (*Davos 2025 - key Climate Takeaways for Business Leaders; Corporate Climate Action and Geopolitics: Navigating Turbulent Times; Accelerating Resilient, Future-fit Finance from the Boardroom*);
- The Investment Programme published one insight piece on the *Financial Sector Hub*; (*Accelerating resilient, Future-fit Finance from the Boardroom*) and hosted a webinar in partnership with McKinsey for 54 NEDs;
- A new Impact and Evaluation Manager to lead the *Network Review Programme* joined the team;
- Preparations were made for a forthcoming trip to Malaysia in April to present at the *National Climate Governance Summit 2025* conference, as part of a deep dive into board engagement in SE Asia.

These activities directly support the charity's purpose of promoting environmental conservation and climate action, by enabling corporate boards to implement effective governance practices that contribute to a net-zero, climate-resilient economy.

Financial Review

As this is the charity's inaugural year of operation in the UK (incorporated on 1 May 2024, reporting until 31 March 2025), the financial review reflects the opening activities and position.

The financial results for the period to 31 March 2025 reflect the establishment of the organisation and the transfer of activities from Hughes Hall, University of Cambridge.

Results for the period

Total income amounted to £3.22 million, primarily from restricted grant funding. Total expenditure was £627,732, giving a net movement in funds of £2.59 million. At the end of the period, the charity held total funds of £2.59 million, of which £2.17 million was restricted and £421,522 was unrestricted.

Income

The majority of income was received in the form of restricted project funding from institutional donors. Principal restricted funders in the period were:

- Children's Investment Fund Foundation (CIFF)
- Generation Foundation
- IKEA Foundation
- Laudes Foundation
- Porticus

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Unrestricted income comprised core support from the Conduit Trust (**£903,371**), a donation of **£50,000**, and bank interest of **£58**.

Expenditure

Total expenditure of **£627,732** related to the delivery of charitable activities, **£188,627** on Chapter Zero Limited.

Financial position and outlook

The year-end balance sheet shows a strong cash position of **£2.38 million** and net assets of **£2.59 million**.

The Trustees note that the majority of funding is restricted and reliant on a small number of institutional donors.

The Trustees remain confident that Chapter Zero Alliance is well placed to deliver its charitable objectives in the coming year, supported by committed funding and a robust governance framework.

Reserves policy

As at the end of the reporting period, Chapter Zero Alliance held total funds of £1,658,343 of which £421,522 are unrestricted reserves. After deducting tangible fixed assets used for the operations of the Charity this leaves free reserves of £416,743. In September 2024, the Trustees approved and adopted a formal Reserves Policy that outlines the approach to identifying the need for reserves, setting an appropriate target, and monitoring reserve levels as the organisation grows.

The policy defines reserves as that part of unrestricted funds that are freely available to spend on any of the charity's purposes. It also sets out the rationale for holding reserves – including managing financial risks, responding to unforeseen events, and supporting operational continuity.

In line with this policy, the Trustees will develop a reserves target informed by future income forecasts, planned expenditure, and risk analysis. As operations and funding base become more established, CZA will continue to build and refine an appropriate level of unrestricted reserves.

The reserves policy will be reviewed annually as part of the financial planning and budgeting processes. The Trustees are committed to maintaining a level of reserves that supports the long-term sustainability and resilience of the charity and will report on the level and purpose of any reserves held in future annual reports.

Fundraising Statement

During the reporting period, Chapter Zero Alliance undertook its own fundraising activities and did not engage professional fundraisers or commercial participators. Fundraising consisted of applications to, and relationships with, philanthropic funders. An external consultant provided strategic advice, but all fundraising was carried out directly by the charity.

Trustees' Responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Group and the Charity and

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of their incoming resources and application of resources, including their 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

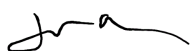
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity 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 charitable group'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 charitable group's auditors are aware of that information.

Approved by the Board of Trustees on and signed on its behalf by:



Julie Baddeley

Trustee

Date: 12 January 2026

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPTER ZERO ALLIANCE

OPINION

We have audited the financial statements of Chapter Zero Alliance (the 'parent charity') and its subsidiaries (the 'group') for the period ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the period 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 Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charity'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.

CHAPTER ZERO ALLIANCE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPTER ZERO ALLIANCE (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; 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 are responsible for the preparation of the financial statements which 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 Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

CHAPTER ZERO ALLIANCE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPTER ZERO ALLIANCE (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows :

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and the parent charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and parent charity, including the Charities Act 2011;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group and parent charity's ability to operate or to avoid material penalties;
- we made enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- laws and regulations identified were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

As a result of the above risk assessment procedures we identified the greatest risk of material misstatement on the financial statements arising from irregularities and fraud to be within the potential for management to override controls together with the risk of fraudulent revenue recognition . We considered the risk of fraudulent revenue recognition to be most prevalent in the cut-off of revenue . In response to these identified risks, we designed procedures which included, but were not limited to:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias;

CHAPTER ZERO ALLIANCE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPTER ZERO ALLIANCE (CONTINUED)

- we used Audit Data Analytics to review the client data for unusual trends/anomalies; and
- performed substantive testing for a sample of transactions from grant and donation records to supporting documentation and receipts to ensure that all income was appropriately recognised in the correct period and any restrictions appropriately recognised.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- we agreed the financial statement disclosures to underlying supporting documentation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- we read the minutes of meetings of those charged with governance;
- reviewed internal audit reports;
- we discussed with management and those charged with governance actual and potential litigation and claims; and
- we reviewed any correspondence with HMRC, relevant regulators such as the Charity Commission and the Group and parent charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

USE OF OUR REPORT

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPTER ZERO ALLIANCE (CONTINUED)

PEM Audit Limited

PEM Audit Limited

Registered Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 14 January 2026

PEM Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CHAPTER ZERO ALLIANCE

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2025**

		Unrestricted funds Period ended 31 March 2025 £	Restricted funds Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
	Note			
INCOME FROM:				
Donations and legacies	3	50,000	-	50,000
Charitable activities	4	903,371	2,266,147	3,169,518
Subsidiary activities	5	-	2,856	2,856
Other income	6	58	-	58
TOTAL INCOME		953,429	2,269,003	3,222,432
EXPENDITURE ON:				
Charitable activities	8	113,991	513,741	627,732
TOTAL EXPENDITURE		113,991	513,741	627,732
NET INCOME		839,438	1,755,262	2,594,700
Transfers between funds	17	(417,916)	417,916	-
NET MOVEMENT IN FUNDS		421,522	2,173,178	2,594,700
RECONCILIATION OF FUNDS:				
Net movement in funds		421,522	2,173,178	2,594,700
TOTAL FUNDS CARRIED FORWARD		421,522	2,173,178	2,594,700

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

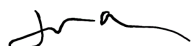
The notes on pages 22 to 34 form part of these financial statements.

CHAPTER ZERO ALLIANCE

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025

	Note	2025 £
FIXED ASSETS		
Tangible assets	13	13,997
		<u>13,997</u>
CURRENT ASSETS		
Debtors	14	379,566
Cash at bank and in hand		2,383,371
		<u>2,762,937</u>
CURRENT LIABILITIES		
Creditors: amounts falling due within one year	15	(182,234)
		<u>2,580,703</u>
NET CURRENT ASSETS		
		<u>2,594,700</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
		<u>2,594,700</u>
TOTAL NET ASSETS		<u><u>2,594,700</u></u>
CHARITY FUNDS		
Restricted funds	17	2,173,178
Unrestricted funds	17	421,522
		<u>2,594,700</u>
TOTAL FUNDS		<u><u>2,594,700</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Julie Baddeley
Trustee
Date: 12 January 2026

The notes on pages 22 to 34 form part of these financial statements.

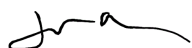
CHAPTER ZERO ALLIANCE

**CHARITY BALANCE SHEET
AS AT 31 MARCH 2025**

	Note	2025 £
FIXED ASSETS		
Tangible assets	13	4,779
		<u>4,779</u>
CURRENT ASSETS		
Debtors	14	375,161
Cash at bank and in hand		2,268,382
		<u>2,643,543</u>
CURRENT LIABILITIES		
Creditors: amounts falling due within one year	15	(989,979)
NET CURRENT ASSETS		<u>1,653,564</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,658,343</u>
TOTAL NET ASSETS		<u><u>1,658,343</u></u>
CHARITY FUNDS		
Restricted funds	17	1,236,821
Unrestricted funds	17	421,522
TOTAL FUNDS		<u><u>1,658,343</u></u>

The Charity's net movement in funds for the period was £1,658,343.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Julie Baddeley

Trustee

Date: 12 January 2026

The notes on pages 22 to 34 form part of these financial statements.

CHAPTER ZERO ALLIANCE

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025

	Period ended 31 March 2025 £
CASH FLOWS FROM OPERATING ACTIVITIES	
Net cash used in operating activities	2,399,744
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of tangible fixed assets	(6,953)
Tangible fixed assets on acquisition	(9,420)
NET CASH USED IN INVESTING ACTIVITIES	(16,373)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD	2,383,371
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,383,371

The notes on pages 22 to 34 form part of these financial statements

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

1. GENERAL INFORMATION

Chapter Zero Alliance is a charitable incorporated organisation registered with the Charity Commission in England & Wales. The registered office address is Salisbury House, Station Road, Cambridge, CB1 2LA. The Charity has no fixed place of business.

2. ACCOUNTING POLICIES

2.1 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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Chapter Zero Alliance 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity was established on 1 May 2024 and the financial statements include the results from 1 May 2024 to 31 March 2025.

Control in the subsidiary, Chapter Zero Limited, was transferred from Hughes Hall, a College of the University of Cambridge, in January 2025. The results of the subsidiary have been consolidated from this date.

2.2 GOING CONCERN

The Trustees have prepared forecasts to 31 March 2027 and considered the period beyond this. The Trustees have stress-tested the forecasts, chiefly reflecting the different levels of income due to various activities the charity engage in.

Upon their review, the Trustees believe the charity will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 INCOME

Grant income is recognised when the Charity has entitlement to it, the receipt is probable and the amount can be reliably measured. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity. Support costs are allocated to activities based on the proportion of time spent on those activities in the year.

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.

2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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, .

Depreciation is provided on the following basis:

Computer equipment	- 3 years
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2.6 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.

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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.

2.8 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.9 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the period.

2.11 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 Group and which have not been designated for other purposes.

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

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
Donations	50,000	50,000

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds Period ended 31 March 2025 £	Restricted funds Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
Grant income	903,371	2,266,147	3,169,518

5. INCOME FROM OTHER ACTIVITIES

Chapter Zero Limited

	Restricted funds Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
Grant income	2,856	2,856

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

6. OTHER INCOMING RESOURCES

	Unrestricted funds Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
Bank interest	58	58

7. ANALYSIS OF GRANTS

During the year Chapter Zero Alliance gave grants amounting £1,121,168 to its subsidiary, Chapter Zero Limited. The grant expense is eliminated on consolidation. Grants unspent by Chapter Zero Limited are shown within restricted funds.

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds Period ended 31 March 2025 £	Restricted funds Period ended 31 March 2025 £	Total Period ended 31 March 2025 £
Climate Governance Initiative	113,991	325,114	439,105
Chaper Zero Limited	-	188,627	188,627
	113,991	513,741	627,732

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly Period ended 31 March 2025 £	Support costs Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
Climate Governance Initiative	260,468	178,637	439,105
Chaper Zero Limited	133,921	54,706	188,627
	394,389	233,343	627,732

ANALYSIS OF DIRECT COSTS

	Climate Governance Initiative Period ended 31 March 2025 £	Chaper Zero Limited Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
Staff costs	185,466	124,909	310,375
Project costs	75,002	9,012	84,014
	260,468	133,921	394,389

CHAPTER ZERO ALLIANCE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Climate Governance Initiative Period ended 31 March 2025 £	Chaper Zero Limited Period ended 31 March 2025 £	Total funds Period ended 31 March 2025 £
Staff costs	29,196	23,552	52,748
Depreciation	557	487	1,044
Legal and professional	16,380	19,959	36,339
Audit and accountancy	32,060	559	32,619
IT costs	13,061	924	13,985
Insurance	1,123	181	1,304
Consultants	57,162	6,544	63,706
Rent	30,058	2,500	32,558
Amortisation of negative goodwill	(960)	-	(960)
	<u>178,637</u>	<u>54,706</u>	<u>233,343</u>

10. AUDITORS' REMUNERATION

	Period ended 31 March 2025 £
Audit of the Charity's annual accounts (including VAT)	15,000
Fees payable to the Charity's auditor in respect of:	
Accountancy (including VAT)	4,000
Virtual Finance Office	9,260
	<u>9,260</u>

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

11. STAFF COSTS

	Group Period ended 31 March 2025 £	Charity Period ended 31 March 2025 £
Wages and salaries	296,113	166,356
Social security costs	49,069	33,671
Contribution to defined contribution pension schemes	17,941	14,635
	<u>363,123</u>	<u>214,662</u>

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

	Group Period ended 31 March 2025 No.	Charity Period ended 31 March 2025 No.
Employees	<u>21</u>	<u>21</u>

No employee received remuneration amounting to more than £60,000 in the year.

The Charity employed 3 employees from January 2025 with 21 for both February and March 2025. The average number is therefore calculated on the final two months of the year.

Key management personnel are considered to be the CEO and Operations Director of Chapter Zero Alliance. Total remuneration was £59,927 for the period.

12. TRUSTEES' REMUNERATION AND EXPENSES

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

During the period ended 31 March 2025, no Trustee expenses have been incurred.

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

13. TANGIBLE FIXED ASSETS
GROUP

	Computer equipment £
COST OR VALUATION	
Additions	6,953
On acquisition of subsidiaries	9,420
At 31 March 2025	16,373
DEPRECIATION	
Charge for the period	2,376
At 31 March 2025	2,376
NET BOOK VALUE	
At 31 March 2025	13,997

CHARITY

	Computer equipment £
COST OR VALUATION	
Additions	5,336
At 31 March 2025	5,336
DEPRECIATION	
Charge for the period	557
At 31 March 2025	557
NET BOOK VALUE	
At 31 March 2025	4,779

CHAPTER ZERO ALLIANCE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

14. DEBTORS

	Group 2025 £	Charity 2025 £
DUE WITHIN ONE YEAR		
Trade debtors	333	-
Other debtors	367,080	363,008
Prepayments and accrued income	12,153	12,153
	<u>379,566</u>	<u>375,161</u>

Other debtors includes £313,073 due from Hughes Hall following the transfer of the Climate Governance Initiative and control of Chapter Zero Limited. This was paid in August 2025.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Charity 2025 £
Other loans	69,590	69,590
Trade creditors	34,593	26,207
Amounts owed to group undertakings	-	841,001
Other taxation and social security	24,741	24,698
Other creditors	12,141	-
Accruals	41,169	28,483
	<u>182,234</u>	<u>989,979</u>

Other loans consists of a loan from one trustee amounting to £69,590. The loan is interest free and due for repayment on 31 December 2025. See note 23.

16. FINANCIAL INSTRUMENTS

	Group 2025 £	Charity 2025 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>2,383,371</u>	<u>2,268,382</u>

Financial assets measured at fair value through income and expenditure comprise Cash at bank and in hand.

CHAPTER ZERO ALLIANCE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT PERIOD

	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
UNRESTRICTED FUNDS				
Conduit Trust	903,371	(115,505)	(423,251)	364,615
General Funds	50,058	1,514	5,335	56,907
	<u>953,429</u>	<u>(113,991)</u>	<u>(417,916)</u>	<u>421,522</u>
RESTRICTED FUNDS				
CIFF	769,623	(66,504)	(281,376)	421,743
Generation Foundation	287,120	(65,670)	(111,497)	109,953
IKEA	743,638	(146,621)	(174,780)	422,237
Laudes	183,267	(21,347)	(43,935)	117,985
Porticus	282,499	(24,972)	(91,664)	165,863
Chapter Zero Limited	2,856	(188,627)	1,121,168	935,397
	<u>2,269,003</u>	<u>(513,741)</u>	<u>417,916</u>	<u>2,173,178</u>
TOTAL OF FUNDS	<u><u>3,222,432</u></u>	<u><u>(627,732)</u></u>	<u><u>-</u></u>	<u><u>2,594,700</u></u>

Unrestricted funds

Conduit Trust - The Charity receives funding from the Conduit Trust for its general activities.

Restricted funds

The Charity receives restricted funding from The Children's Investment Fund Foundation (CIFF), the Generation Foundation, IKEA, the Laudes Foundation and Stichting Benevolentia (Porticus).

Chapter Zero Limited represents the restricted funds in the subsidiary.

Transfers into Chapter Zero Limited represent grants made by Chapter Zero Alliance during the year from the restricted funds and Conduit Trust.

Other transfers represent grant monies spent on tangible fixed assets.

CHAPTER ZERO ALLIANCE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	4,779	9,218	13,997
Current assets	565,721	2,197,216	2,762,937
Creditors due within one year	(148,978)	(33,256)	(182,234)
TOTAL	<u>421,522</u>	<u>2,173,178</u>	<u>2,594,700</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group Period ended 2025 £
Net income for the period (as per Statement of Financial Activities)	<u>2,594,700</u>
ADJUSTMENTS FOR:	
Depreciation charges	2,376
Decrease/(increase) in debtors	(379,566)
Increase in creditors	182,234
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>2,399,744</u></u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2025 £
Cash in hand	<u>2,383,371</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>2,383,371</u></u>

CHAPTER ZERO ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

21. ANALYSIS OF CHANGES IN NET DEBT

	Cash flows	At 31 March
	£	2025
		£
Cash at bank and in hand	2,383,371	2,383,371
Debt due within 1 year	(69,590)	(69,590)
	<u>2,313,781</u>	<u>2,313,781</u>

22. PENSION COMMITMENTS

The Group has unpaid pension contributions amounting to £7,764 at the year end. The Charity has unpaid pension contributions amounting to £NIL at the year end. (TBC CZL)

23. RELATED PARTY TRANSACTIONS

During the period, R Zimmern, donated £50,000 to the Charity. In addition, R Zimmern loaned the Charity £50,000 and settled professional fees on behalf of the Charity amounting to £19,590. The total amount due to R Zimmern at the year end is £69,590 and included with creditors due within one year. The loan is interest free and repayable in full on 31 December 2025.

During the period Chapter Zero Alliance awarded grants to its subsidiary, Chapter Zero Limited, totalling £1,121,168. The amount unpaid at the year end amounted to £841,001. Some of these grants have been made under existing agreements made with Hughes Hall, from whom the Climate Governance Initiative was transferred during the year, and with it the control of Chapter Zero Limited.