



SOCIALCARBON®

Resilient Planet, Sustainable Livelihoods

Social Carbon Foundation

Annual Report 2024-25

www.socialcarbon.org



Chair's Message

"Our journey began decades ago, when I had the privilege of developing Brazil's first carbon project, only the second of its kind globally. That experience instilled in me a deep conviction that climate solutions must be rooted in equity, inclusion, and impact for those most affected."

In 2005, we launched Social Carbon Standard as a pioneering "co-benefits" framework, long before the term was widely recognised. And in 2022, faced with the perilous state of global nature markets, we recognised that co-benefits alone were not enough, and created Social Carbon Foundation to ensure nature-based finance reaches the communities and ecosystems that need it most.

I am incredibly proud of what we have achieved in 2024/25. The Foundation has now developed nine robust Nature-based-Solution methodologies, deployed a blockchain-based registry, and created an integrated certification system for offsetting, inseting, and biodiversity. Our project pipeline spans over 5 million hectares, positively impacting more than 250,000 people, entirely self-funded to date. We are working with First Nation conservation leaders, supporting over 10,000 smallholder farmers through regenerative agriculture, and restoring ecosystems with over 200 native species.

But this is only the beginning. Our ambition is to support the scaling of nature markets from under \$1 billion to \$43 billion annually by 2040. We are building infrastructure, governance, and partnerships to ensure those markets deliver trust, transparency, and lasting benefits, especially for communities in the Global South.

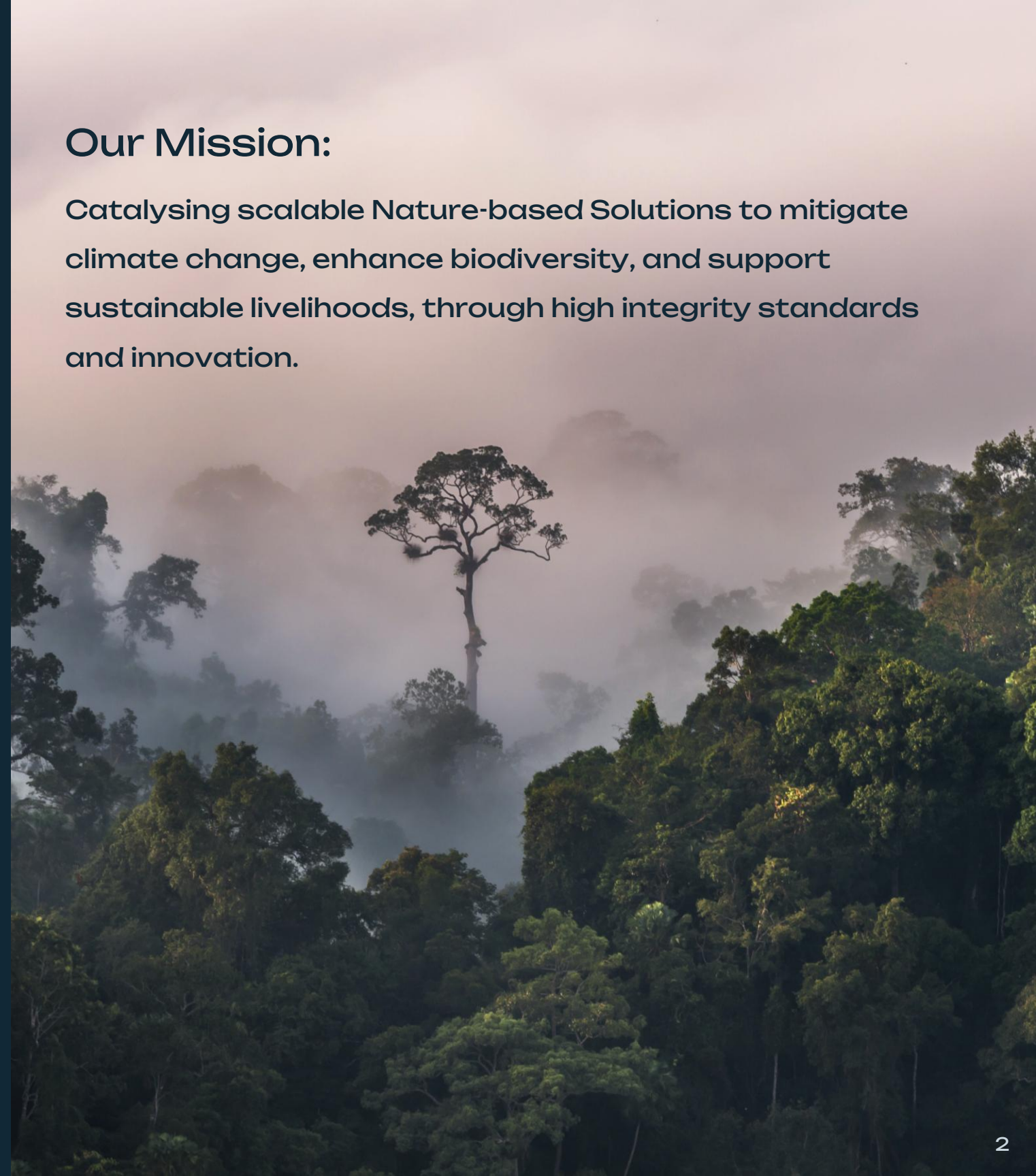
We are proud of our roots. And we are ready to lead the next phase of climate and biodiversity solutions.



Dr Divaldo Rezende - Chairman
of the Board and Co-Founder

Our Mission:

Catalysing scalable Nature-based Solutions to mitigate climate change, enhance biodiversity, and support sustainable livelihoods, through high integrity standards and innovation.



CEO's Message

While this is Social Carbon Foundation's third annual report, it is the first as a registered charity in England, which is one of the highlights of the 2024/25 year.

Other 2024/25 highlights include:

- **Launched Peatland Restoration Methodology** enabling the calculation of GHG emission reductions from rewetting drained peatlands in temperate agricultural areas.
- **Launched Nature Stewardship Framework for Public Consultation.** An innovative financial mechanism that rewards the protection, restoration, and sustainable management of ecosystems, combining the biodiversity and social impacts of nature-based solutions into a standardised credit.
- **Launched Insetting Framework for Public Consultation.** Reducing Scope 3 emissions by transforming supply chain practices, leveraging nature-based solutions like agroforestry, soil carbon sequestration, and regenerative agriculture, while creating co-benefits for communities, biodiversity, and long-term resilience.
- **Published ARR methodology (SCM00009),** replacing previously accepted CDM ARR methodologies.
- **Presented at EU Carbon Farming Summit** in Dublin, hosting and presenting in sessions on the potential of insetting, the role of AI and technology in carbon markets and the importance of peatlands.
- **Portal launched saving significant time and money for us and our partners,** digitising all methodologies and the Standard, managing audits and managing public consultations.
- **Sunset our Cookstove Methodology** as part of our ongoing effort to streamline and modernise our methodology portfolio.
- **Recruited Chief Operating Officer and strengthened Advisory Board,** growing and strengthening Social Carbon Foundation's leadership.



Mike Davies - Chief Executive Officer

Social Carbon Foundation's approach is grounded in three focus areas that set us apart.

First, co-benefits are mandatory, not optional, ensuring every project we certify delivers real, measurable value for climate, biodiversity and local people.

Second, automation underpins all our processes, which levels the playing field for smallholders and community-led projects, and cuts cost, time, and risk for all, allowing projects to reach certification up to 12 months faster than legacy approaches.

Third, we prioritise agility and innovation, building integrated tools that unlock finance across offsetting, insetting, and biodiversity markets through one coherent platform.

These focus areas are the foundation of everything we do.

The impact is real. Our first 14 live projects will, over their lifetime, remove more than 9 million tCO₂e, restore/conserv over 1.5 million hectares, and directly support over 250,000 people. Our pipeline includes 40+ projects across five continents, which together are projected to conserve or restore more than 5 million hectares, avoid/remove over 40 million tCO₂e, and improve the lives of over 1 million people.

None of this would be possible without the commitment of our team, our Board of Trustees, our expert Advisory Board, the many volunteers who've shared their time and talent, the project developers who've placed their trust in us, and the communities at the heart of this work.

The Social Carbon Foundation team believe that meaningful impact is only possible through strong collaboration and trusted partnerships. If you share our commitment to high-integrity, inclusive solutions, we warmly invite you to reach out and work with us.

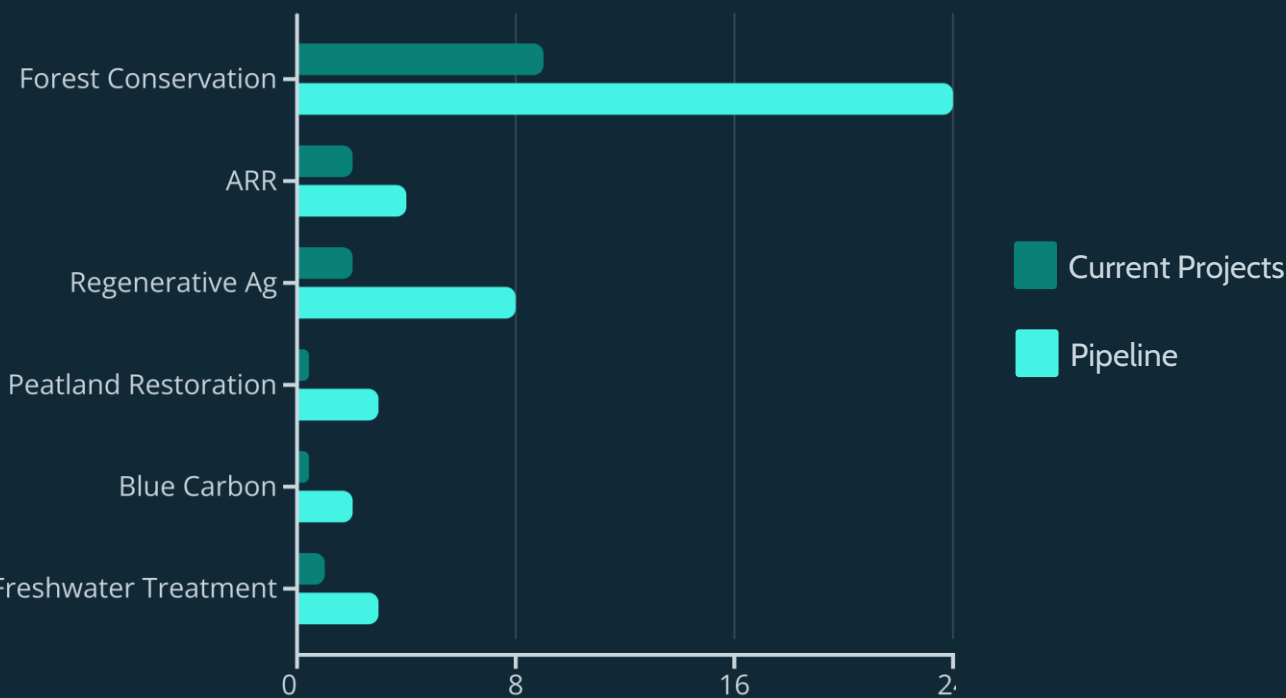
Global Impact

By the end of the 2024/25 period, 14 projects had successfully completed registration under the Social Carbon Standard—marking a major milestone in the growth of our certification ecosystem. During this period, we also developed a robust and rapidly expanding pipeline of over 40 nature-based solution (NbS) projects. These initiatives span a diverse range of interventions, including conservation, grassland restoration, peatland restoration, and afforestation/reforestation, collectively covering more than 5 million hectares of vital ecosystems.

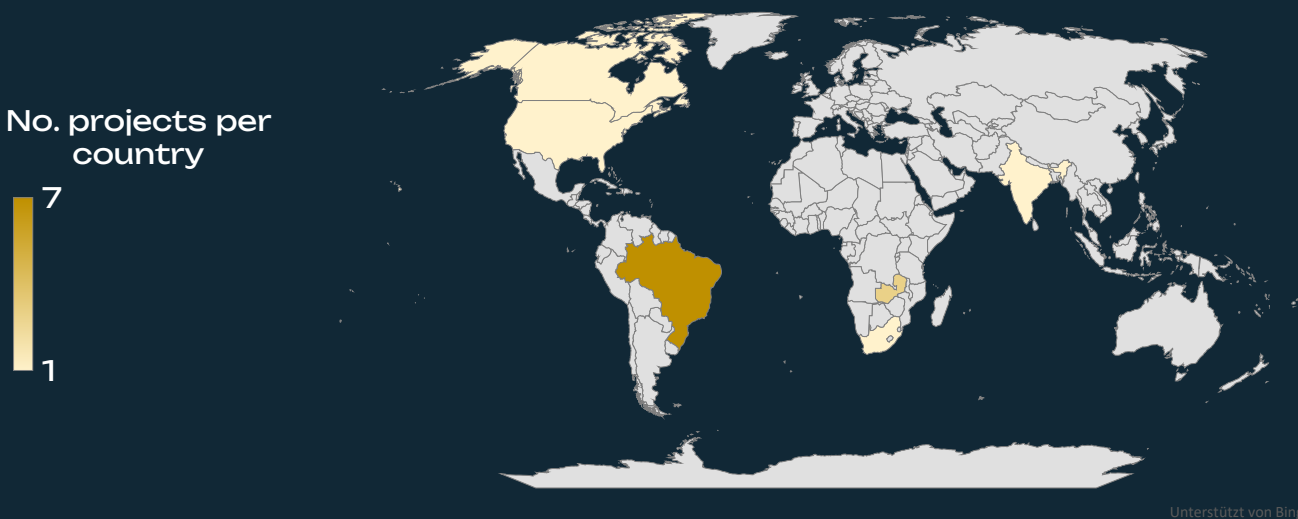
This traction reflects our emergence as a trusted platform for locally developed and community-led NbS initiatives. Unlike top-down models, our

approach prioritizes local knowledge, participation, and equity, enabling project developers to retain agency and ownership. As a result, our credibility is being built from the ground up, most of our growth now originates from organic referrals, with developers increasingly advocating for our Standard over legacy accreditation schemes.

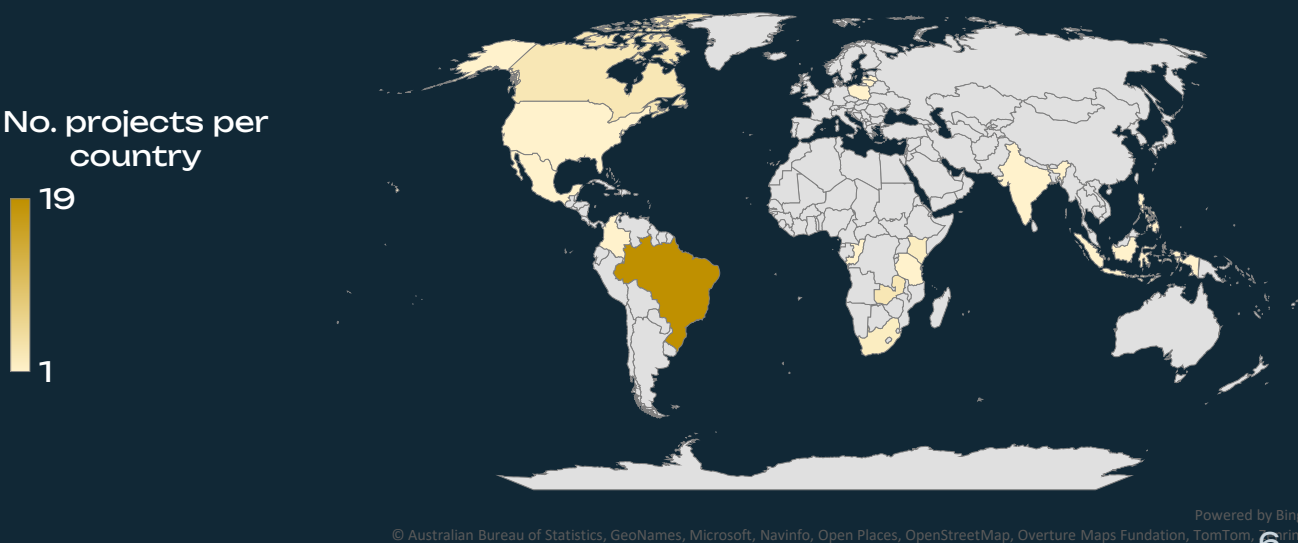
This community-driven momentum reaffirms our belief that integrity, inclusion, and innovation are the cornerstones of a resilient and scalable nature market.



Current Project Distribution



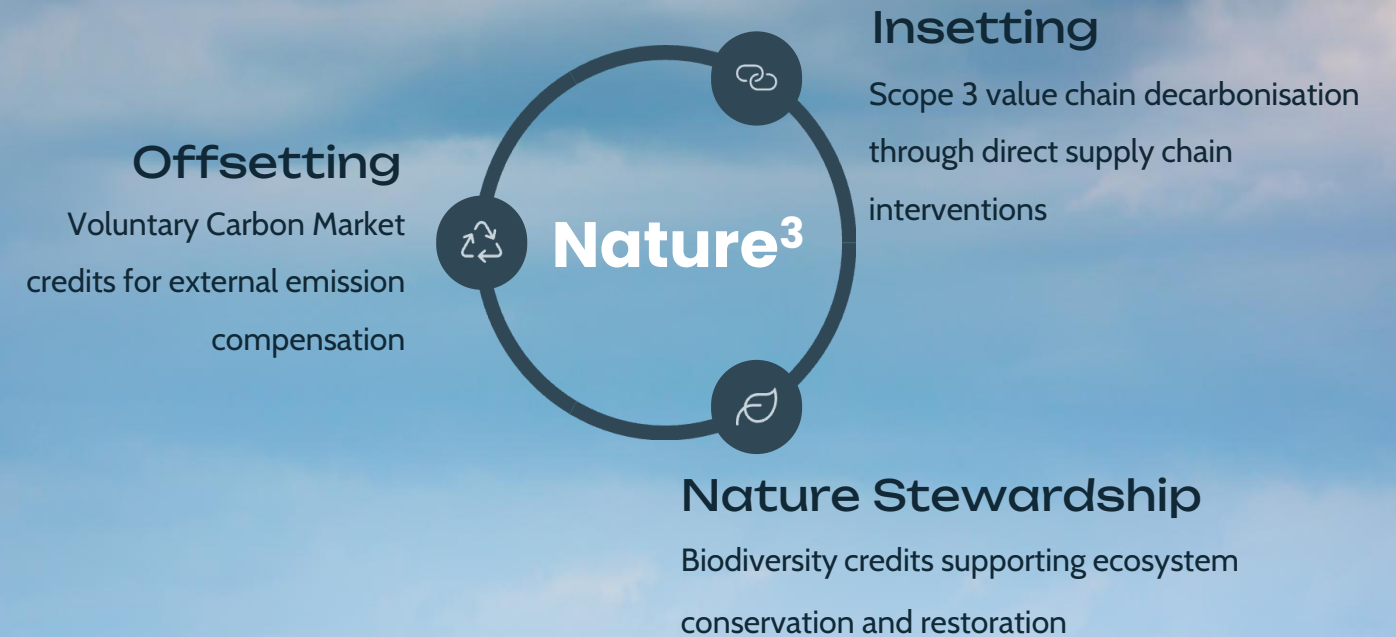
Pipeline Project Distribution



From Offsetting to an Integrated Nature Standard

In 2024/25, the Social Carbon Foundation advanced from its roots as a co-benefits-based offsetting standard to a fully integrated certification system for nature-based solutions (NbS). Recognizing that nature doesn't operate in silos, we evolved our approach to reflect the real-world complexity of climate, ecosystems, and communities. The enhanced SOCIALCARBON Standard now offers three certification pathways: offsetting, insetting, and Nature Stewardship. This modular framework allows projects to align with their specific context, whether generating carbon credits, reducing Scope 3 emissions through value chain interventions, or earning biodiversity credits for ecosystem restoration and protection.

This integrated model offers practical benefits. It reduces risk by enabling flexible asset strategies as projects evolve, it improves resilience in volatile policy and market environments, and it streamlines certification for diverse initiatives under one umbrella. In 2024/25, we launched both the Insetting and Nature Stewardship frameworks for public consultation, laying the foundation for Version 7.0 of the SOCIALCARBON Standard, set for release in early 2025/26. This unified, multi-pathway structure is entirely unique in the market, positioning the Foundation at the forefront of scalable, high-integrity nature solutions.





Pioneering Insetting

In 2024/25, the Social Carbon Foundation launched its Insetting Framework for public consultation, marking a significant step forward in enabling companies to decarbonize their value chains through nature-based solutions. Building on leading initiatives such as the GHG Protocol, the Value Change Initiative, and other insetting guidance, our approach addresses key gaps that have historically limited access and scalability, particularly for the Forestry, Land Use, and Agriculture (FLAG) sectors. The framework is designed to integrate seamlessly with the SOCIALCARBON Standard, providing practical guidance and credible certification for interventions that reduce Scope 3 emissions from within a company's own supply chain.

Insetting projects differ from traditional offsets by focusing on internal transformation—implementing regenerative agriculture, agroforestry, and soil carbon

sequestration practices that directly improve supply chain performance while delivering measurable climate benefits. These projects also generate tangible co-benefits for communities, biodiversity, and long-term ecosystem resilience. Since its release, the framework has already attracted significant interest, with early projects identified across multiple regions. These projects are expected to complete registration in 2025/26.

i Did you know? Over 90% of food sector emissions come from Scope 3 sources, creating vast opportunities for insetting through agricultural and forestry supply chains.

Unlocking Value Beyond Carbon: Nature Stewardship

In 2024/25, the Social Carbon Foundation launched the Nature Stewardship Credit (NSC) Framework for public consultation, a pioneering step toward monetizing the full spectrum of benefits delivered by nature-based solutions. Co-developed with Natural State, this innovative framework creates a standardized mechanism to reward the protection, restoration, and sustainable management of ecosystems, while capturing the social and ecological value that lies beyond carbon alone. By integrating three core indices: Biodiversity, Socio-Economic, and Governance, the NSC framework offers a robust, transparent method for quantifying and verifying the broader impacts of nature-based projects.

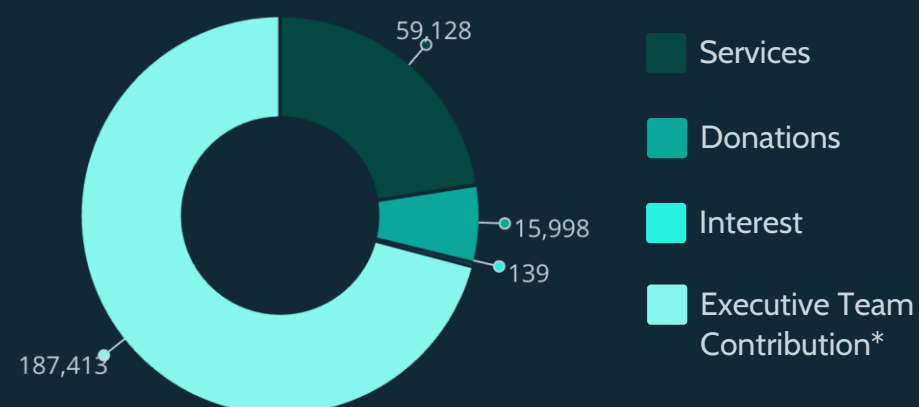
The NSC is designed with flexibility in mind to support diverse project strategies and funding models. Projects may issue standalone NSCs, stack them with carbon credits for multiple revenue streams, or use the framework to certify co-benefits alongside other crediting schemes. This adaptability not only enables access to emerging biodiversity markets, but also helps investors, buyers, and communities recognize and reward the full value of ecosystem stewardship. As global demand grows for high-integrity, multi-dimensional environmental assets, the NSC offers a unique and credible pathway to scale inclusive, nature-positive finance.

Over 5 pilot projects have been identified and are expected to launch in 2025/26.

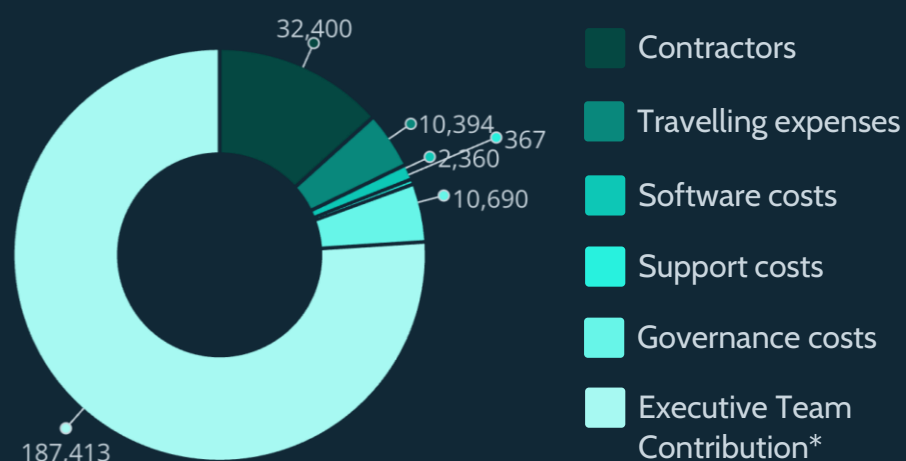


Financial Impact & Growth

Income £263k



Expenditure £243k



*An estimated £187,000 was contributed by the executive team, based on market salaries.

>120,000
Individuals supported

Supporting communities across three continents through sustainable development

1.2M
Hectares

Of ecosystems conserved or restored through our pipeline projects

18,270
tCO₂e

Removed/Avoided

Board of Trustees



Dr Divaldo Rezende 

Founder, Trustee & Chairman

Founder of the Social Carbon Standard. Over 20 years experience in field, over 50 community positive carbon projects delivered and over 10,000 acres of amazon rainforest reforested.



Diane Duncan 

Trustee

Experienced UK charity trustee. Ocean ecosystems expert.



Dr Amadeu Soares 

Trustee

Professor and Head of Biology at the University of Aveiro, Portugal. Expert on Ecotoxicology and Functional Biodiversity.



Glenn Morley 

Trustee

Responsible climate solution advocate. Experienced climate NGO builder (built leading European carbon removal policy advocate), advisor to founders, boards and funders of climate game-changers.



Paulo Gomes 

Trustee

Former Executive Director at the World Bank. Paulo advises governments and businesses on strategic investments and sustainable development.

Executive Team



Mike Davies 

Chief Executive Officer

Mike has led the transition of the SOCIALCARBON Standard from a Co-Benefit Standard to a full Standard focused on Nature-Based Solutions. With deep knowledge across the value chain of the market from the registry technology, to project development and methodologies design / development, he ensures the SOCIALCARBON Standard aligns with best practices, while remaining practical and scalable.



Ian Short 

Chief Operating Officer

Ian has spent the last dozen years leading organisations focused on innovation for sustainable/smart cities, urban development and climate change. Before this he worked in senior roles in finance in Wellington, London and New York.

Previously, Ian was CEO of Climate-KIC, the world's largest climate change innovation partnership with 18 offices across Europe. Prior to this Ian helped establish and lead a London based not-for-profit delivering sustainable city pilots and an urban development corporation leading the regeneration of east London.



Dr Hongjun Wang* 

Chief Science Officer

Hongjun has over 20 years of experience leading research and development in both academia and industry. He is a seasoned scientist specializing in soil biogeochemistry, greenhouse gas emissions, regenerative agriculture, carbon farming, ecosystem restoration, and non-point source pollution control. Dr. Wang has published more than 40 peer-reviewed papers, including three in Nature research journals ([Google Scholar](#)).

Charity registration number 1210037 (England and Wales)

SOCIAL CARBON FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

SOCIAL CARBON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr Davaldo Rezende	(Appointed 16 September 2024)
	Glenn Morley	(Appointed 16 September 2024)
	Paulo Gomes	(Appointed 16 September 2024)
	Diane Duncan	(Appointed 16 September 2024)
	Dr Amadeu Soares	(Appointed 16 September 2024)
Charity number (England and Wales)	1210037	
Principal address	Suite RA01 195 Wood Street London E17 3NU	
Website	www.socialcarbon.org	
Independent examiner	BK Plus Audit Limited Oakingham House Frederick Place High Wycombe Buckinghamshire HP11 1JU	

SOCIAL CARBON FOUNDATION

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SOCIAL CARBON FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the period ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

Vision: A thriving, resilient planet where nature and humanity co-exist in harmony with climate change mitigated, biodiversity flourishing and sustainable livelihoods for all.

Mission: Catalysing scalable nature-based-solutions to mitigate climate change, enhance biodiversity, and support sustainable livelihoods, through high integrity standards and innovation.

Key Activities:

1. Develop High-Integrity Standards and Methodologies
2. Project Certification
3. Innovation in Nature Market Solutions
4. Capacity Building and System Change

Achievements and performance

By 31 March 2025, Social Carbon Foundation had:

- Developed 9 live Nature-based Solution methodologies: conservation – Brazil; conservation – rest of world; afforestation – South Africa; afforestation – rest of world; peatland restoration; regenerative agriculture; sustainable rice cultivation; mangrove restoration; and harmful algae bloom treatment.
- Retired the cookstove methodology – due to concerns related to the robustness of climate claims related to the project type.
- Developed a new market mechanism, Nature Stewardship Credits, an innovative approach that rewards the protection, restoration, and sustainable management of ecosystems.
- Developed a new market mechanism, Insetting framework, that focuses on a company's scope 3 value-chain decarbonisation, a more robust approach than offsets.
- 13 live projects: Based in Brazil, India, Zambia, South Africa, US and Canada; that will deliver 120k individuals positively impacted, 850k hectares conserved or restored and 1.8m tCO₂e removed from the atmosphere.
- Innovative use of blockchain, AI, and digital platforms for certification and registration, allowing projects to achieve certification up to 12 months faster than under legacy standards.

By 2030, Social Carbon Foundation aims to have our Nature-based Solution methodologies applied at scale, contributing significantly to the protection of 30% of the world's lands, freshwaters, and oceans, and helping to address the dual global crises of biodiversity loss and climate change.

SOCIAL CARBON FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

Structure, Governance and Management

Social Carbon Foundation is a registered UK charity with the charity number 1210037 and a company number of CE037535.

The **Board of Trustees** is responsible for strategy and oversight. Trustees are:

1. Dr Divaldo Rezende – Co-Chair and Co-Founder
2. Glenn Morley – Co-Chair
3. Diane Duncan
4. Paulo Gomes
5. Dr Amadeu Soares

The **Advisory Board** brings together a group of independent, world-class experts whose scientific and market expertise knowledge and perspectives complement the expertise of Social Carbon Foundation's Trustees and staff.

The Trustees wish to acknowledge the invaluable contributions of volunteers who have generously given their time and expertise to support the development of our methodologies, advisory functions, and outreach efforts. Their involvement, particularly in scientific, technical, and governance roles, has significantly strengthened the Foundation's capacity during its early growth phase.

Transition to Charitable Incorporated Organisation

Social Carbon Foundation was originally established as a company (Company No. 14123164) in 2022 and operated in that capacity until it was formally closed in January 2025. On 16 September 2024, the organisation was registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission for England and Wales (Charity No. 1206567). From that date, all operations, assets, and activities were transitioned to the newly formed charitable entity. This includes the donation of £15,998 in cash.

Financial review

Social Carbon Foundation has a sustainable business model based on certification and issuance fees from projects. Grants are sought to support the development of innovative nature-based mechanisms and to scale faster than organic growth will allow, given the urgent need for action.

Social Carbon Foundation's establishment phase from 2022 to 2024 was self-funded by the co-founders and volunteers. Fundraising efforts from late 2024 have been mixed, based primarily on the Foundation's limited track record and the heightened volatility of climate and nature markets.

The 2024/25 year had revenue of £75,265, expenses of £56,211, a surplus of £19,054 and net assets of £19,054.

The projection for the 2025/26 year is revenue of £646,000, expenses of £556,000, a surplus of £90,000 and net assets of £109,000.

Reserves Policy

Social Carbon Foundation's Reserves Policy is to maintain unrestricted reserves equivalent to at least three months of core operational expenditure. This level will increase as the organisation grows and has further capacity, it will be reviewed annually as a minimum.

Risk Management

The Trustees are responsible for ensuring that effective risk management systems are in place to identify, assess, and manage the major risks faced by the charity. A risk register is maintained and reviewed regularly to monitor strategic, operational, financial, and reputational risks. Mitigation strategies are in place for key risks, including financial sustainability, regulatory changes in global carbon markets, data security, and reputational integrity.

SOCIAL CARBON FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

Public Benefit

The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In shaping the Foundation's aims and delivering its activities, the Trustees ensure that the Social Carbon Foundation's work provides clear public benefit by promoting climate change mitigation, biodiversity conservation, and sustainable livelihoods through the development and certification of high-integrity nature-based solutions. The Foundation prioritises inclusive, science-based approaches that support local communities, particularly in the Global South, and contribute to long-term environmental and social outcomes.

The trustees' report was approved by the Board of Trustees.

Divaldo Rezende

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Trustee

Date: 16th July 2025

SOCIAL CARBON FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2025

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 and Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOCIAL CARBON FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SOCIAL CARBON FOUNDATION

I report to the trustees on my examination of the financial statements of Social Carbon Foundation (the charity) for the period ended 31 March 2025.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011.

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

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 that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Charities Act 2011.
2. the financial statements do not accord with those records
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principals 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 financial statements to be reached.

Use of my report

This report is made solely to the Trustees in accordance with section 145 of Charities Act 2011. My independent examination has been undertaken so that I might state to the Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purposes. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trustees for my independent examination or this report.



David Hynes

For and behalf of BK Plus Audit Limited

Oakingham House, Frederick Place, High Wycombe, Buckinghamshire, HP11 1JU

Date:16/07/2025

SOCIAL CARBON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £
Income from:		
Donations and legacies	3	15,998
Charitable activities	4	59,128
Investments	5	139
Total income		<u>75,265</u>
Expenditure on:		
Charitable activities	6	56,211
Total expenditure		<u>56,211</u>
Net income and movement in funds		<u>19,054</u>
Reconciliation of funds:		
Fund balances at 16 September 2024		-
Fund balances at 31 March 2025		<u>19,054</u>

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

SOCIAL CARBON FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£
Current assets			
Cash at bank and in hand		22,554	
Creditors: amounts falling due within one year	11	(3,500)	
Net current assets			19,054
The funds of the charity			
Unrestricted funds	12		19,054
			19,054

The financial statements were approved by the trustees on ...16th July 2025

Divaldo Rezende

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Trustee

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Social Carbon Foundation is a charity incorporated in England and Wales. The registered offices can be found on the legal and administrative page.

1.1 Reporting period

The charity was formed on 16 September 2024 and these first financial statements cover the period from formation through to 31 March 2025.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

All funds held at the Balance Sheet date were deemed by the trustees to be unrestricted.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.6 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £
Donations and gifts	15,998

4 Income from charitable activities

	Unrestricted funds 2025 £
Services	
Project fees	59,128

5 Income from investments

	Unrestricted funds 2025 £
Interest receivable	139

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

6 Expenditure on charitable activities

	2025 £
Direct costs	
Contractors	32,400
Travelling expenses	10,394
Software costs	2,360
	<u>45,154</u>
Share of support and governance costs (see note 7)	
Support	367
Governance	10,690
	<u>56,211</u>
Analysis by fund	
Unrestricted funds	<u>56,211</u>

7 Support costs allocated to activities

	2025 £
Support costs	367
Governance costs	10,690
	<u>11,057</u>
Analysed between:	
Bank charges	302
Foreign exchange	65
Accounting fees	3,860
Legal fees	6,830
	<u>11,057</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

9 Employees

The average monthly number of employees during the period was:

2025
Number

3

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The key management personnel received no remuneration during the period.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Creditors: amounts falling due within one year

2025
£

Accruals and deferred income

3,500

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations, gifts and project fees which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 16 September 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
General funds	-	75,265	(56,211)	19,054

13 Related party transactions

There were no disclosable related party transactions during the period (- none).

Charity registration number 1210037 (England and Wales)

SOCIAL CARBON FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

SOCIAL CARBON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr Davaldo Rezende	(Appointed 16 September 2024)
	Glenn Morley	(Appointed 16 September 2024)
	Paulo Gomes	(Appointed 16 September 2024)
	Diane Duncan	(Appointed 16 September 2024)
	Dr Amadeu Soares	(Appointed 16 September 2024)
Charity number (England and Wales)	1210037	
Principal address	Suite RA01 195 Wood Street London E17 3NU	
Website	www.socialcarbon.org	
Independent examiner	BK Plus Audit Limited Oakingham House Frederick Place High Wycombe Buckinghamshire HP11 1JU	

SOCIAL CARBON FOUNDATION

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Statement of financial activities	6
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SOCIAL CARBON FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the period ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

Vision: A thriving, resilient planet where nature and humanity co-exist in harmony with climate change mitigated, biodiversity flourishing and sustainable livelihoods for all.

Mission: Catalysing scalable nature-based-solutions to mitigate climate change, enhance biodiversity, and support sustainable livelihoods, through high integrity standards and innovation.

Key Activities:

1. Develop High-Integrity Standards and Methodologies
2. Project Certification
3. Innovation in Nature Market Solutions
4. Capacity Building and System Change

Achievements and performance

By 31 March 2025, Social Carbon Foundation had:

- Developed 9 live Nature-based Solution methodologies: conservation – Brazil; conservation – rest of world; afforestation – South Africa; afforestation – rest of world; peatland restoration; regenerative agriculture; sustainable rice cultivation; mangrove restoration; and harmful algae bloom treatment.
- Retired the cookstove methodology – due to concerns related to the robustness of climate claims related to the project type.
- Developed a new market mechanism, Nature Stewardship Credits, an innovative approach that rewards the protection, restoration, and sustainable management of ecosystems.
- Developed a new market mechanism, Insetting framework, that focuses on a company's scope 3 value-chain decarbonisation, a more robust approach than offsets.
- 13 live projects: Based in Brazil, India, Zambia, South Africa, US and Canada; that will deliver 120k individuals positively impacted, 850k hectares conserved or restored and 1.8m tCO₂e removed from the atmosphere.
- Innovative use of blockchain, AI, and digital platforms for certification and registration, allowing projects to achieve certification up to 12 months faster than under legacy standards.

By 2030, Social Carbon Foundation aims to have our Nature-based Solution methodologies applied at scale, contributing significantly to the protection of 30% of the world's lands, freshwaters, and oceans, and helping to address the dual global crises of biodiversity loss and climate change.

SOCIAL CARBON FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

Structure, Governance and Management

Social Carbon Foundation is a registered UK charity with the charity number 1210037 and a company number of CE037535.

The **Board of Trustees** is responsible for strategy and oversight. Trustees are:

1. Dr Divaldo Rezende – Co-Chair and Co-Founder
2. Glenn Morley – Co-Chair
3. Diane Duncan
4. Paulo Gomes
5. Dr Amadeu Soares

The **Advisory Board** brings together a group of independent, world-class experts whose scientific and market expertise knowledge and perspectives complement the expertise of Social Carbon Foundation's Trustees and staff.

The Trustees wish to acknowledge the invaluable contributions of volunteers who have generously given their time and expertise to support the development of our methodologies, advisory functions, and outreach efforts. Their involvement, particularly in scientific, technical, and governance roles, has significantly strengthened the Foundation's capacity during its early growth phase.

Transition to Charitable Incorporated Organisation

Social Carbon Foundation was originally established as a company (Company No. 14123164) in 2022 and operated in that capacity until it was formally closed in January 2025. On 16 September 2024, the organisation was registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission for England and Wales (Charity No. 1206567). From that date, all operations, assets, and activities were transitioned to the newly formed charitable entity. This includes the donation of £15,998 in cash.

Financial review

Social Carbon Foundation has a sustainable business model based on certification and issuance fees from projects. Grants are sought to support the development of innovative nature-based mechanisms and to scale faster than organic growth will allow, given the urgent need for action.

Social Carbon Foundation's establishment phase from 2022 to 2024 was self-funded by the co-founders and volunteers. Fundraising efforts from late 2024 have been mixed, based primarily on the Foundation's limited track record and the heightened volatility of climate and nature markets.

The 2024/25 year had revenue of £75,265, expenses of £56,211, a surplus of £19,054 and net assets of £19,054.

The projection for the 2025/26 year is revenue of £646,000, expenses of £556,000, a surplus of £90,000 and net assets of £109,000.

Reserves Policy

Social Carbon Foundation's Reserves Policy is to maintain unrestricted reserves equivalent to at least three months of core operational expenditure. This level will increase as the organisation grows and has further capacity, it will be reviewed annually as a minimum.

Risk Management

The Trustees are responsible for ensuring that effective risk management systems are in place to identify, assess, and manage the major risks faced by the charity. A risk register is maintained and reviewed regularly to monitor strategic, operational, financial, and reputational risks. Mitigation strategies are in place for key risks, including financial sustainability, regulatory changes in global carbon markets, data security, and reputational integrity.

SOCIAL CARBON FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

Public Benefit

The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In shaping the Foundation's aims and delivering its activities, the Trustees ensure that the Social Carbon Foundation's work provides clear public benefit by promoting climate change mitigation, biodiversity conservation, and sustainable livelihoods through the development and certification of high-integrity nature-based solutions. The Foundation prioritises inclusive, science-based approaches that support local communities, particularly in the Global South, and contribute to long-term environmental and social outcomes.

The trustees' report was approved by the Board of Trustees.

Divaldo Rezende

box SIGN 46987KJ8-4LKZ93VJ

Trustee

Date: 16th July 2025

SOCIAL CARBON FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2025

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 and Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOCIAL CARBON FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SOCIAL CARBON FOUNDATION

I report to the trustees on my examination of the financial statements of Social Carbon Foundation (the charity) for the period ended 31 March 2025.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011.

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

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 that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Charities Act 2011.
2. the financial statements do not accord with those records
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principals 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 financial statements to be reached.

Use of my report

This report is made solely to the Trustees in accordance with section 145 of Charities Act 2011. My independent examination has been undertaken so that I might state to the Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purposes. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trustees for my independent examination or this report.



David Hynes

For and behalf of BK Plus Audit Limited

Oakingham House, Frederick Place, High Wycombe, Buckinghamshire, HP11 1JU

Date:16/07/2025

SOCIAL CARBON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £
Income from:		
Donations and legacies	3	15,998
Charitable activities	4	59,128
Investments	5	139
Total income		<u>75,265</u>
Expenditure on:		
Charitable activities	6	56,211
Total expenditure		<u>56,211</u>
Net income and movement in funds		<u>19,054</u>
Reconciliation of funds:		
Fund balances at 16 September 2024		-
Fund balances at 31 March 2025		<u>19,054</u>

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

SOCIAL CARBON FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£
Current assets			
Cash at bank and in hand		22,554	
Creditors: amounts falling due within one year	11	(3,500)	
Net current assets			19,054
The funds of the charity			
Unrestricted funds	12		19,054
			19,054

The financial statements were approved by the trustees on ...16th July 2025

Divaldo Rezende

boxSIGN 46987KJ8-4LKZ93VJ

Trustee

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Social Carbon Foundation is a charity incorporated in England and Wales. The registered offices can be found on the legal and administrative page.

1.1 Reporting period

The charity was formed on 16 September 2024 and these first financial statements cover the period from formation through to 31 March 2025.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

All funds held at the Balance Sheet date were deemed by the trustees to be unrestricted.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.6 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £
Donations and gifts	15,998

4 Income from charitable activities

	Unrestricted funds 2025 £
Services	
Project fees	59,128

5 Income from investments

	Unrestricted funds 2025 £
Interest receivable	139

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2025

6 Expenditure on charitable activities

	2025 £
Direct costs	
Contractors	32,400
Travelling expenses	10,394
Software costs	2,360
	<u>45,154</u>
Share of support and governance costs (see note 7)	
Support	367
Governance	10,690
	<u>56,211</u>
Analysis by fund	
Unrestricted funds	<u>56,211</u>

7 Support costs allocated to activities

	2025 £
Support costs	367
Governance costs	10,690
	<u>11,057</u>
Analysed between:	
Bank charges	302
Foreign exchange	65
Accounting fees	3,860
Legal fees	6,830
	<u>11,057</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

SOCIAL CARBON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2025

9 Employees

The average monthly number of employees during the period was:

2025
Number

3

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The key management personnel received no remuneration during the period.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Creditors: amounts falling due within one year

2025
£

Accruals and deferred income

3,500

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations, gifts and project fees which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 16 September 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
General funds	-	75,265	(56,211)	19,054

13 Related party transactions

There were no disclosable related party transactions during the period (- none).

