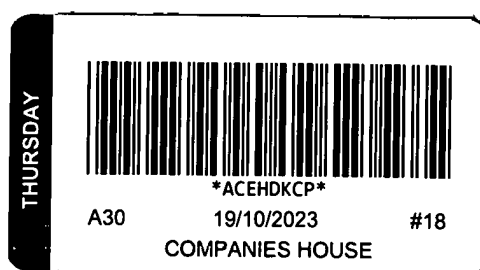


**Company Registration No. 07632295 (England and Wales)**

**CLIMATE IMPACT PARTNERS LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2023**



# CLIMATE IMPACT PARTNERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S Hickok S Teo
<b>Company number</b>	07632295
<b>Registered office</b>	112 Magdalen Road Oxford OX4 1RQ United Kingdom
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 2nd Floor 1 The Square Temple Quay Bristol BS1 6DG

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# CLIMATE IMPACT PARTNERS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors present the strategic report for the year ended 31 March 2023.

#### Review of the business and key performance indicators

ClimateCare Impact Partners Limited ('the company') helped create the voluntary carbon market and pioneered carbon finance for community development projects. The company continues to develop award-winning carbon reduction projects and delivers some of the largest voluntary carbon offsetting programmes in the world. It is considered a leading profit-with-purpose business.

The company works with leading corporates, NGO's and governments to solve complex climate and sustainability issues on their journey to Net Zero and beyond.

The company has played a critical role in the delivery of record results for the ClimateCare Holdings Limited group of companies.

The company's performance and results were strong for the year ended 31 March 2023, with turnover of £49.2m (2022 - £19.4m), gross profit of £17.5m (2022 - £8.8m) and operating profit of £7.4m (2022 - £2.8m).

The increase in turnover reflected growth in strategic clients and increased demand in the sector. Gross profit margin fell to 35.6% (2022 - 45.0%), reflecting the impact of increased competition in the sector. Administrative expenses increased to £10.3m (2022 - £5.9m) principally reflecting increased employee costs following an increase in average headcount to 57 (2022 - 39).

The company ended the year with net assets of £7.0m (2022 - £12.6m) including cash of £2.2m (2022 - £11.4m). The reduction in cash principally reflects changes in intercompany funding arrangements (as evidenced by corresponding changes in amounts owed by and to group undertakings included in debtors and creditors) following a group refinancing during the year.

#### Principal risks and uncertainties

The principal risk and uncertainty could be any slowdown in the voluntary carbon market, however this possibility is considered to be remote as leading corporates, NGO's and governments are increasingly seeking to demonstrate climate action. The voluntary offset market is competitive, however the company holds a strong position in the voluntary offset market.

#### Going concern

The company is a member of the ClimateCare Holdings Limited group of companies and is party to the group's banking facilities which provide ongoing financial support. Because of the interlinked nature of the arrangements with its ultimate parent and the other companies in the group, in order to assess the going concern assumption of this company, detailed consideration has been undertaken at a group level, and group support has been confirmed as available for a period of at least 12 months from the date of approval of these financial statements.

In assessing going concern the directors have considered and modelled detailed monthly profit and loss and cashflow forecasts for a period of at least 12 months from the date of approval of these financial statements. In making the assessment the directors have considered any relevant macroeconomic and geopolitical factors. The directors have taken this into account in their assessment of going concern and the forecasting of future sales, profitability, and cashflow.

The directors are confident that the group holds sufficient cash reserves to meet its liabilities as they fall due for at least 12 months from approval of these financial statements, and therefore these financial statements have been prepared on a going concern basis.

On behalf of the board



S Teo  
Director

Date: 03/08/23

# CLIMATE IMPACT PARTNERS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### Principal activities

The principal activity of the company continued to be that of the provision of carbon reduction services. Further details are given in the strategic report.

#### Results and dividends

The results for the year are set out on page 7. Ordinary dividends were paid amounting to £12,428,350 (2022 - £nil). The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E Doyle	(Resigned 24 February 2023)
V E Lindsay	(Resigned 21 December 2022)
S Hickok	(Appointed 2 February 2023)
S Teo	(Appointed 2 February 2023)

#### Future developments

There are no plans to change the nature of the company's activities in the foreseeable future.

#### Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.


#### Matters included in the strategic report

As permitted by the Companies Act 2006, s. 414C(11) the directors have chosen to set out in the company's strategic report certain information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. They have done so in respect of financial risk management.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
.....  
S Teo  
Director

Date: 03/08/23 .....

# **CLIMATE IMPACT PARTNERS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLIMATE IMPACT PARTNERS LIMITED**

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### **Opinion**

We have audited the financial statements of Climate Impact Partners Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLIMATE IMPACT PARTNERS LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLIMATE IMPACT PARTNERS LIMITED (CONTINUED)**

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and reviewing tax computations prepared by tax specialists.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### **Use of our report**

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

*Malcolm Pirouet*

Malcolm Pirouet FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
2nd Floor  
1 The Square  
Temple Quay  
Bristol  
BS1 6DG

.....  
03/08/23



# CLIMATE IMPACT PARTNERS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME


FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	49,206,505	19,434,225
Cost of sales		(31,698,743)	(10,679,432)
Gross profit		17,507,762	8,754,793
Administrative expenses		(10,292,003)	(5,919,319)
Other operating income	4	188,373	-
Operating profit	7	7,404,132	2,835,474
Interest receivable and similar income	8	3,680	303
Profit before taxation		7,407,812	2,835,777
Tax on profit	9	(526,797)	318
Profit for the financial year		6,881,015	2,836,095

**CLIMATE IMPACT PARTNERS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Intangible assets	11		76,703		11,313
Tangible assets	12		123,197		155,986
			<u>199,900</u>		<u>167,299</u>
<b>Current assets</b>					
Stocks	13	4,765,508		3,477,515	
Debtors falling due after more than one year	14	10,717,860		5,171,013	
Debtors falling due within one year	14	21,642,761		12,412,079	
Cash at bank and in hand		2,217,474		11,401,445	
		<u>39,343,603</u>		<u>32,462,052</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(27,837,750)</u>		<u>(19,995,074)</u>	
<b>Net current assets</b>			<u>11,505,853</u>		<u>12,466,978</u>
<b>Total assets less current liabilities</b>			<u>11,705,753</u>		<u>12,634,277</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(4,627,448)</u>		-
<b>Provisions for liabilities</b>	18		<u>(28,538)</u>		<u>(37,175)</u>
<b>Net assets</b>			<u><u>7,049,767</u></u>		<u><u>12,597,102</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		3		3
Share premium account	21		168,749		168,749
Profit and loss reserves	21		6,881,015		12,428,350
<b>Total equity</b>			<u><u>7,049,767</u></u>		<u><u>12,597,102</u></u>

The financial statements were approved by the board of directors and authorised for issue on 03/08/23 and are signed on its behalf by:

  
 .....  
 S Teo  
 Director

# CLIMATE IMPACT PARTNERS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		3	168,749	9,592,255	9,761,007
<b>Year ended 31 March 2022:</b>					
Profit and total comprehensive income for the year		-	-	2,836,095	2,836,095
<b>Balance at 31 March 2022</b>		3	168,749	12,428,350	12,597,102
<b>Year ended 31 March 2023:</b>					
Profit and total comprehensive income for the year		-	-	6,881,015	6,881,015
Dividends	10	-	-	(12,428,350)	(12,428,350)
<b>Balance at 31 March 2023</b>		3	168,749	6,881,015	7,049,767

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Company information

Climate Impact Partners Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 112 Magdalen Road, Oxford, United Kingdom, OX4 1RQ.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

##### Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of ClimateCare Midco Limited. These consolidated financial statements are available from its registered office, 112 Magdalen Road, Oxford, United Kingdom, OX4 1RQ.

##### Going concern

The company is a member of the ClimateCare Holdings Limited group of companies and is party to the group's banking facilities which provide ongoing financial support. Because of the interlinked nature of the arrangements with its ultimate parent and the other companies in the group, in order to assess the going concern assumption of this company, detailed consideration has been undertaken at a group level, and group support has been confirmed as available for a period of at least 12 months from the date of approval of these financial statements.

In assessing going concern the directors have considered and modelled detailed monthly profit and loss and cashflow forecasts for a period of at least 12 months from the date of approval of these financial statements. In making the assessment the directors have considered any relevant macroeconomic and geopolitical factors. The directors have taken this into account in their assessment of going concern and the forecasting of future sales, profitability, and cashflow.

The directors are confident that the group holds sufficient cash reserves to meet its liabilities as they fall due for at least 12 months from approval of these financial statements, and therefore these financial statements have been prepared on a going concern basis.

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies (Continued)

##### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Income relating to contracts where the underlying carbon credits have not yet been acquired and delivered is deferred into future periods. A corresponding adjustment is made to accrued costs.

##### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software and website	20% straight line basis
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##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Improvements to property	20% straight line basis
Plant and machinery	20% or 33% reducing balance basis
Computer equipment	33% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### Stocks

Stocks, reflecting payments for carbon credits and renewable energy products, are stated at the lower of cost and net realisable value.

##### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies (Continued)

##### **Basic financial assets**

Basic financial assets 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### **Equity instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date. Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies (Continued)

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction, or at an average rate where this rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors 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.

In the opinion of the directors, the judgements, estimates and assumptions considered to have a significant impact on the reported performance or financial position of the company are outlined below:

##### **Derivative financial instruments**

The company enters into contracts with firm commitments, and in some cases options, to purchase carbon credits in future years. Management have reviewed the terms of these contracts against the requirements in FRS 102 Section 12 to determine if these contracts to purchase non-financial items could fall within its scope, considering the business model and intended use of the carbon credits, and have that concluded they do not.

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 3 Turnover and other revenue

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Verified Emission Reduction (VERs) sales	49,206,505	19,434,225

	2023 £	2022 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	14,893,775	7,699,685
United States of America	2,140,401	5,852,846
Rest of World	32,172,329	5,881,694
	49,206,505	19,434,225

#### 4 Other operating income

Other operating income of £188,373 (2022 - £nil) reflects the release of certain volume rebates relating to a prior period.

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Management	6	4
Operations	29	25
Administrative	22	10
<b>Total</b>	<b>57</b>	<b>39</b>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	6,657,950	3,955,011
Social security costs	563,791	245,108
Pension costs	118,533	61,703
	7,340,274	4,261,822



# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	2,223,839	-
Company pension contributions to defined contribution schemes	35,354	-
	<u>2,259,193</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 0).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	1,850,646	-
Company pension contributions to defined contribution schemes	29,054	-
	<u>1,879,700</u>	<u>-</u>

In the comparative period, the directors of the company were remunerated by other group companies and no specific recharge was made to the company for their services.

Amounts shown above include aggregate payments of £1,440,500 (2022 - £nil) relating to compensation for loss of office.

### 7 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Foreign exchange differences	(612,891)	(192,959)
Fees payable to the company's auditor for the audit of the company's financial statements	40,000	26,500
Depreciation of owned tangible fixed assets	51,059	42,110
Loss on disposal of tangible fixed assets	45,313	-
Amortisation of intangible assets	11,423	288
Operating lease charges	<u>319,551</u>	<u>122,247</u>

In the statement of comprehensive income, amortisation is charged to administrative expenses.

### 8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	<u>3,680</u>	<u>303</u>

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	570,796	-
Adjustments in respect of prior periods	(35,362)	(20,324)
<b>Total current tax</b>	<b>535,434</b>	<b>(20,324)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,637)	20,006
<b>Total tax charge/(credit)</b>	<b>526,797</b>	<b>(318)</b>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	7,407,812	2,835,777
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	1,407,484	538,798
Tax effect of expenses that are not deductible in determining taxable profit	52,153	162
Tax effect of income not taxable in determining taxable profit	-	(942)
Adjustments in respect of prior years	(35,362)	(20,324)
Group relief	(891,882)	(524,218)
Permanent capital allowances in excess of depreciation	(3,524)	(2,716)
Remeasurement of deferred tax for changes in tax rates	(2,072)	8,922
<b>Taxation charge/(credit) for the year</b>	<b>526,797</b>	<b>(318)</b>

#### Factors that may affect future tax charges

On 3 March 2021, the UK Government announced an increase in the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

### 10 Dividends

	2023 £	2022 £
Interim paid	12,428,350	-

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 11 Intangible fixed assets

	Software and website £
<b>Cost</b>	
At 1 April 2022	11,601
Additions	76,813
At 31 March 2023	88,414
<b>Amortisation and impairment</b>	
At 1 April 2022	288
Amortisation charged for the year	11,423
At 31 March 2023	11,711
<b>Carrying amount</b>	
At 31 March 2023	76,703
At 31 March 2022	11,313

#### 12 Tangible fixed assets

	Improvements to property £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2022	1,143	71,405	150,659	115,040	338,247
Additions	-	22,420	41,163	-	63,583
Disposals	-	-	-	(64,000)	(64,000)
At 31 March 2023	1,143	93,825	191,822	51,040	337,830
<b>Depreciation and impairment</b>					
At 1 April 2022	1,143	58,721	106,058	16,339	182,261
Depreciation charged in the year	-	5,713	29,524	15,822	51,059
Eliminated in respect of disposals	-	-	-	(18,687)	(18,687)
At 31 March 2023	1,143	64,434	135,582	13,474	214,633
<b>Carrying amount</b>					
At 31 March 2023	-	29,391	56,240	37,566	123,197
At 31 March 2022	-	12,684	44,601	98,701	155,986

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 13 Stocks

	2023 £	2022 £
Carbon credits and renewable energy products	2,978,472	3,477,515
Contract work in progress	1,787,036	-
	<u>4,765,508</u>	<u>3,477,515</u>

Stocks are stated after impairment provisions of £288,000 (2022 - £nil).

The company has made payments on account in respect of stock purchases, totalling £1,736,000 (2022 - £nil), which are included within stocks.

#### 14 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,708,160	6,066,863
Amounts owed by group undertakings	16,577,789	5,995,386
Other debtors	1,160,476	290,568
Prepayments and accrued income	196,336	59,262
	<u>21,642,761</u>	<u>12,412,079</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>10,717,860</u>	<u>5,171,013</u>
<b>Total debtors</b>	<u>32,360,621</u>	<u>17,583,092</u>

Amounts owed by group undertakings falling due after more than one year comprise interest-free loans. The loans are unsecured and repayable on demand. However, the company has agreed not to demand repayment within one year of the balance sheet date.

#### 15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,678,585	699,848
Amounts owed to group undertakings	8,099,167	733,333
Corporation tax	526,391	60,225
Other taxation and social security	1,603,567	242,350
Other creditors	22,923	203,248
Accruals and deferred income	15,907,117	18,056,070
	<u>27,837,750</u>	<u>19,995,074</u>

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Loans from group undertakings	17	4,627,448	-

#### 17 Borrowings

	2023 £	2022 £
Loans from group undertakings	4,627,448	-
Payable after one year	4,627,448	-

Loans from group undertakings comprise interest-free loans. The loans are unsecured and repayable on demand. However, the lenders have agreed not to demand repayment within one year of the balance sheet date.

#### 18 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2023 £	Liabilities 2022 £
<b>Balances:</b>		
Fixed asset timing differences	30,360	38,997
Short term timing differences	(1,822)	(1,822)
	<u>28,538</u>	<u>37,175</u>
<b>Movements in the year:</b>		2023 £
Liability at 1 April 2022		37,175
Credit to profit or loss		(8,637)
Liability at 31 March 2023		<u>28,538</u>

It is not possible to state the extent to which these deferred tax liabilities are expected to reverse within the next twelve months because reversal depends on several factors which cannot be reliably estimated.

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 19 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	118,533	61,703

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	3	3	3	3

The company has one class of ordinary shares. The shares carry no right to fixed income. Each share carries the right to one vote at general meetings of the company.

### 21 Reserves

#### Share premium account

The share premium account reflects consideration received for shares issued above their nominal value, net of transaction costs.

#### Profit and loss reserves

Profit and loss reserves represent the accumulated profits, losses and distributions of the company.

### 22 Financial commitments, guarantees and contingent liabilities

The company is party to a debenture dated 8 January 2021 and a supplemental debenture dated 31 March 2021 in favour of Lucid Trustee Services Limited and a debenture dated 17 November 2022 in favour of Kroll Trustee Services Limited. The debentures give fixed and floating charges over all the property or undertaking of the company in relation to the borrowings of ClimateCare Midco Limited, ClimateCare Finco Limited, ClimateCare Bidco Limited, Climate Impact Partners Limited and Climate Impact Partners Europe Limited. At the year end, total borrowings covered were £99,925,444 (2022 - £50,680,310). The borrowings are repayable in full in one instalment in October 2027.

#### Other commitments

The company is committed to purchase 1.3m tonnes of carbon credits in future years for £5.4m.

# CLIMATE IMPACT PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 23 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	514,500	181,400
Between one and five years	436,000	28,500
	<u>950,500</u>	<u>209,900</u>

#### 24 Related party transactions

The company has taken advantage of the exemption available in Section 33 of FRS102 and has not disclosed details of transactions or balances with other wholly-owned group companies.

#### 25 Ultimate controlling party

The immediate parent company is ClimateCare Bidco Limited, a company incorporated in the United Kingdom and registered in England and Wales. The smallest group into which the results and financial position of the company are consolidated is headed by ClimateCare Midco Limited. Its financial statements can be obtained from its registered office, 112 Magdalen Road, Oxford, United Kingdom, OX4 1RQ.

The ultimate parent company is ClimateCare Holdings Limited, a company incorporated in Jersey. ClimateCare Holdings Limited heads the largest group into which the results and financial position of the company are consolidated. Its financial statements are not available to the public.

In the opinion of the directors there is no ultimate controlling party.