Institutional Investors Group on Climate Change Limited

Audited Report of the Directors and Financial Statements

for the year to 31 December 2022

COMPANY REGISTRATION NUMBER: 07921860

The Institutional Investors Group on Climate Change Limited

Contents

The Institutional Investors Group on Climate Change Limited

Legal and Administrative Information

Registered name	**Institutional Investors Group on Climate Change**
Company number	**07921860**

Registered office
Pennine Place
2a Charing Cross Road
London, WC2H 0HF

Company Directors

Roelfien Annet Kuijpers	(Resigned 5 May 2022)
Adam Matthews	
Dr. Udo Riese	
Ian Richard Simm	
Jelle Van der Giessen	
Jon Steingrim Johnsen	
Faith Margaret Ward	
Sandy Boss	(Appointed 1 Jan 2022)
Kelly Christodoulou	
Graham Cook	
Bruce Duguid	
Claudia Kruse	
Caroline Le Meaux	(Appointed 1 Jan 2022)

Accountants
JS2 Limited
One Crown Square
Woking
Surrey GU21 6HR

Auditors
MHA MacIntyre Hudson
6th Floor
2 London Wall Place
London EC2Y 5AU

Bankers
HSBC Bank plc
Guildford & Weybridge Commercial Centre
Edgeborough House, Upper Edgeborough Road,
Guildford GU1 2BJ

Lawyers
Bates Wells & Braithwaite London LLP
10 Queen Street Place
London EC4R 1BE

The Institutional Investors Group on Climate Change Limited

Report of the Directors
As at 31 December 2022

The Directors present this report with the financial statements of the company for the year ended 31 December 2022.

Principal Activities
IIGCC seeks to create change the world needs by unlocking investor action on climate change. We bring the investment community together to make significant progress towards a net zero, Paris-aligned, and climate resilient future by 2030. This progress will be achieved through capital allocation decisions, stewardship, and successful engagement with policymakers and fellow investors.

During the year ended 31 December 2022, IIGCC carried out the following activities:

Growth

Membership increased to 398 in 2022, up 19.5% from 2021 (333[1]), with IIGCC members now representing more than €60 trillion in assets under management across 24 countries.

Most of IIGCC's resources are structured under three areas of focus: influencing public policy, guiding investor practices, and engaging corporates, as these are the best opportunities to influence change. These programmes work in strategic partnership with investors, showcasing their role in the realisation of the transition to net zero in support of the goals of the Paris Agreement.

Mirroring the growth of its member base and an increasingly diverse range of activities undertaken in support of those members, IIGCC headcount grew to 38 full-time individuals.

Guiding investor practices

The investor practices programme helps members and the broader sector to better integrate climate risks and opportunities into their investment processes and decision making, exploring how to align portfolios with the goals of the Paris Agreement.

In 2022 the team built on the momentum of existing investor guidance, namely the Net Zero Investment Framework (NZIF), by adding three additional asset classes - infrastructure, derivatives and hedge funds, and private equity.

NZIF is now the most used net zero framework for investors and will soon offer guidance for most of major asset classes in a typical investment portfolio. The framework supports signatories of the Net Zero Asset Managers (NZAM) and Paris Aligned Asset Owners (PAAO) initiatives, both of which continued to grow in 2022.

As of 31 December, NZAM had 301 signatories from around the world, representing USD 59 trillion in assets under management. PAAO had 57 signatories from Australia, Canada, Europe, the US, the UK, and New Zealand, representing USD 3.3 trillion in assets.

A working group was also established to address the urgency of physical climate risk for investment portfolios. A subsequent discussion paper, 'Working towards a climate resilience investment framework,' was presented at New York Climate Week and discussed at COP27 in Egypt.

Alongside this, IIGCC launched the Net Zero Data Vendor Catalogue in October 2022, a member-only resource providing detailed analysis of data sets and products on the market from 16 participating vendors. This document helps investors to find and assess the most relevant data sources for their net zero strategy needs, designed to be a useful reference at each stage of the procurement journey.

[1] This number is revised from the previous 2021 figure of 360 following the consolidation of a group of university colleges who joined in 2021, but have subsequently been removed from the membership count because their parent university is a member.

All of the above have been amplified and discussed in monthly member surgeries, which had an average attendance of 76 members per session and more than 600 unique visitors across 2022. These popular forums will continue to be a staple of discussions in 2023.

Engaging corporates

The corporate programme supports members in undertaking effective stewardship and active ownership of their investments, with a focus on listed equity and corporate bonds, including as a founding and active network partner of the Climate Action 100+ initiative.

2022 saw good progress in Europe, with the latest Climate Action 100+ Net Zero Company Benchmark highlighting that company engagements supported by IIGCC accounted for 48% of all global improvements between March and October 2022.

Enel, an Italian manufacturer supported by IIGCC, became the first company to score on every Benchmark disclosure indicator. A further 84% of European companies now satisfy indicator 1, ‘setting a net zero target’. More focused engagement on ‘lobbying’ is also showing results, with 20% of companies in Europe now scoring a full ‘yes’ on this indicator compared to 6% in March 2021.

This was supported by the launch of the Net Zero Standard for Oil and Gas, available to IIGCC members only, which aimed to inform engagement priorities and escalation strategies in the sector.

The IIGCC Net Zero Stewardship Toolkit was published in April 2022, providing investors with foundations to enhance their stewardship practices and deliver real-world decarbonisation. Downloaded more than 1,000 times so far, the toolkit has gained real traction with investors.

In July 2022 IIGCC also published a pilot report with the Transition Pathway Initiative (TPI): ‘An investor-led framework of pilot indicators to assess banks on the transition to net zero.’ This report assessed banks across six key areas including targets and decarbonisation strategies. IGCC and its members are now working closely with TPI to finalise this framework for publication in 2023.

Alongside this investor engagement with banks has continued, with IIGCC collaborating with US-based Ceres to formally launch a programme of engagement under the continued leadership of IIGCC banks working group co-chairs, Sarasin & Partners LLP and Federated Hermes.

In 2023 we also launched the Net Zero Engagement Initiative (NZEI), designed to scale engagement beyond Climate Action 100+ focus companies. Letters have now been delivered to 107 companies and, based on their responses, investors will coordinate a series of follow up engagement ‘sprints’. These will support companies with specific challenges or sector-wide barriers.

Influencing policy

IIGCC’s policy programme helps to shape sustainable finance and climate policy, as well as regulation for key sectors of the economy at national, EU, and global levels. The team advocates for the implementation of policy frameworks that create an enabling environment for investors to decarbonise their portfolios and scale investment in climate solutions.

At COP27, IIGCC’s focus was to highlight investor action in key areas while also speaking to the Presidency’s stated areas of focus. This included showcasing investor action on topics such as net zero target-setting and implementation, company engagement, disclosure, and policy advocacy. The delegation took a proactive role when speaking with governments and international organisations – advocating for an enabling policy environment and drawing heavily on the recommendations from the 2022 Global Investor Statement to Governments on the Climate Crisis, led by the cross-partner Investor Agenda.

IIGCC chaired the Investor Agenda’s Policy Working Group in 2022, leading development of the 2022 statement. Signed by more than 600 investors representing almost USD 42 trillion in assets, it was provisionally shared during New York Climate Week ahead of its official launch on 2 November 2022 prior to COP27, where it was showcased at an official COP27 side-event.

IIGCC staff and members also participated in a range of formal events, panels and roundtables, closed-door sessions with climate negotiators convened by the UNFCCC, along with an intensive programme of bilateral meetings with key stakeholders including at CEO and board level.

In parallel, IIGCC has contributed to several wider global initiatives including GFANZ's Public Policy Taskforce and the Powering Past Coal Alliance (PPCA)'s revised finance principles. IIGCC also acts as the Finance Focal Point for the UNFCCC's Marrakesh Partnership of non-state actors.

In light of Russia's invasion of Ukraine and the trilemma of energy affordability, security and climate change facing leaders, the team has advocated strongly for policies which uphold ambition on net zero. In the UK, IIGCC responded to consultations and undertook proactive policy interventions with the new government, emphasising the need to maintain net zero commitments and accelerate near-term delivery against them.

In the EU, IIGCC's updated positions on key files in the 'Fit for 55 Package' now feature energy security implications, and we have also updated positions on ETS/Carbon Border Adjustment Mechanism, energy efficiency and performance, and renewables.

We are also actively engaged on live sustainable finance files including the EU's Corporate Sustainability Due Diligence Directive and Sustainable Finance Disclosures Regulation, and the UK's disclosure and investment label regime and revised green finance framework.

Communications

The impact of IIGCC's communications grew with its member and team activities across traditional and digital channels. In the media we saw more than 21,000 articles relating to IIGCC and associated initiatives throughout 2022, with mentions in key target publications including the Financial Times, Bloomberg, Reuters, and Les Echos.

Across digital channels, our posts were seen over 900,000 times on LinkedIn and Twitter. When considering retweets, mentions and interactions, the IIGCC channel reached more than 5 million potential users on Twitter.

This helped to attract almost 90,000 individual visitors to IIGCC's website, with NZIF's implementation guide proving to be the most popular page at 15,000 views. Our 2022 annual report blended a visual document with three video animations illustrating IIGCC "then, now, next," which were also shared on social media.

IIGCC continued to play a leading role in communications working groups for Climate Action 100+, the Net Zero Asset Managers initiative, the Paris Aligned Investment Initiative, and the Investor Agenda. The team also expanded support for events as pandemic restrictions eased.

Events

IIGCC and members welcomed the return to in-person events in 2022. The Net Zero Stewardship launch in August, hosted by J.P. Morgan Asset Management, offered its working group and contributors the chance to formally mark this important tool.

Our AGM in Barcelona saw 131 attendees with 65 joining virtually. Attendees voted on IIGCC's board elections and joined panel discussions throughout the day using our event app. Five panel discussions with 20 expert speakers offered value to members alongside networking with peers.

This came alongside increased visibility at international events, with the team supporting our speakers throughout the event season. This included live reporting from COP27 alongside event guides and detailed weekly summaries.

In response to this success IIGCC has hired a dedicated events manager with plans to increase frequency of events in both the UK and continental Europe in 2023. Our recent corporate engagement event, IIGCC Engage, hosted by Schroders, reiterated the value this brings to our members.

Directors

The director who served during the year and up to the date of signing the financial statements were:
Faith Margaret Ward (Chair)
Adam Matthews
Bruce Duguid
Claudia Kruse
Caroline Le Meaux (Appointed 1 Jan 2022)
Graham Cook
Ian Richard Simm (Treasurer)
Jelle Van der Giessen
Jon Steingrim Johnsen (Vice-Chair)
Kelly Christodoulou
Roelfien Annet Kuijpers (Resigned 5 May 2022)
Sandy Boss (Appointed 1 Jan 2022)
Dr. Udo Riese

Awareness of relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

a) so far as the director is aware, there is no relevant audit information of which the company and the auditors are unaware and,

b) the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the auditors are aware of that information.

The Report and accounts have been independently audited in accordance with the provisions applicable to The Companies Act 2006.

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

Statement of Director's responsibilities

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

• select suitable accounting policies for the company's financial statements 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 group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the company Directors,

Faith Ward
Chair

6 June 2023

Auditors’ Report to the Directors of The Institutional Investors Group on Climate Change Limited

For the year ended 31 December 2022

Opinion

We have audited the financial statements of Institutional Investors Group on Climate Change (the ‘company’) for the year ended 31 December 2022 which comprise the Statement of Financial Activities (incorporating an income and expenditure account), balance sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2022, and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the 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. Our evaluation of the directors’ assessment of the entity’s ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or

- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out in the Directors' report, 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.

Auditors’ Report to the Directors of The Institutional Investors Group on Climate Change Limited

For the year ended 31 December 2022

Auditor’s responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of those in management functions around actual and potential litigation and claims;
- Enquiry of those in management functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor’s report.

Use of our report

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

Stuart McKay FCA DChA (Senior Statutory Auditor)
for and on behalf of
MHA
Statutory Auditor
London, United Kingdom

Date: 29/06/2023

The Institutional Investors Group on Climate Change Limited
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)

For the year ended 31 December 2022

	Note	2022 Restricted £	2022 Unrestricted £	2022 Total £	2021 Total £
Income					
Donations and grants	9	**2,394,101**	**-**	**2,394,101**	1,879,612
Other trading activities	9	**-**	**2,038,698**	**2,038,698**	1,598,163
Total income		**2,394,101**	**2,038,698**	**4,432,799**	3,477,775
Expenditure					
Staff costs	3	**1,846,238**	**976,163**	**2,822,401**	1,844,342
Publication & Consultancy costs		**127,949**	**155,165**	**283,114**	339,373
Travel costs		**-**	**97,522**	**97,522**	25,173
Communications & public affairs		**39,438**	**63,698**	**103,136**	146,673
Office and support costs		**311,440**	**120,706**	**432,146**	317,200
Other costs		**69,036**	**66,956**	**135,992**	126,200
Total expenditure		**2,394,101**	**1,480,210**	**3,874,311**	**2,798,961**
Net income					
Net Movement in Funds		**-**	**558,488**	**558,488**	**678,814**
Total funds brought forward	9	**-**	**1,908,502**	**1,908,502**	1,229,688
Total funds carried forward		**-**	**2,466,990**	**2,466,990**	**1,908,502**

All of the above results derive from continuing activities.

There are no recognised gains and losses for the year other than those disclosed above.

The Institutional Investors Group on Climate Change Limited
Balance Sheet

As at 31 December 2022

Company Number 07921860

	Notes	2022 £	2022 £	2021 £	2021 £
Tangible fixed assets	5		**22,668**		17,709
Intangible fixed assets	6		**3,497**		6,295
Current assets					
Debtors	7	**2,394,964**		1,759,751	
Cash at bank and in hand		**4,441,059**		3,189,365	
		6,836,023		4,949,116	
Creditors: amounts falling due within one year	8	**(4,395,198)**		(3,064,618)	
Net current assets			**2,440,825**		1,884,498
Total net assets			**2,466,990**		1,908,502
Funds	9				
Restricted funds			**-**		-
General funds			**2,466,990**		1,908,502
Total funds			**2,466,990**		1,908,502

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by, and signed on behalf of, the company Directors:

Faith Ward
Director

Date: 6 June 2023

The Institutional Investors Group on Climate Change Limited
Statement of Cash Flows

As at 31 December 2022

	2022		2021	
	£	**£**	£	£
Cash flows from operating activities:				
Net income/(expenditure) for the year (as per the statement of financial activities)		**558,488**		678,814
Adjustments for:				
Fixed asset additions	**(14,482)**		(15,332)	
Intangible fixed asset additions	**-**		(8,393)	
Depreciation charges	**9,524**		6,598	
Amortisation charges	**2,798**		6,990	
(Increase)/decrease in debtors	**(635,213)**		(611,455)	
Increase/(decrease) in creditors	**1,330,581**		1,171,104	
Net cash provided by (used in) operating activities		**693,206**		549,512
Change in cash and cash equivalents in the year		**1,251,694**		**1,228,326**
Cash and cash equivalents at the beginning of the year		**3,189,365**		1,961,039
Cash and cash equivalents at the end of the year		**4,441,059**		3,189,365

During the year there were no changes in the net debt of the Company, other than the cashflows detailed above.

1. Accounting Policies

General information and Basis of Preparation

Institutional Investors Group on Climate Change Limited (IIGCC) is a private company, limited by guarantee, incorporated in England and Wales. It's registered office is Pennine Place, 2a Charing Cross Road, London, WC2H 0HF. The principal activity of the company is the promotion of protection and conservation of the environment.

Although the Company is not a charity, in many respects its activities are similar to one and therefore in preparing the financial statements to provide a true and fair view, the Directors have had regard to the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, to the extent considered appropriate. These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are prepared in pound sterling which is the functional currency of the company and rounded to the nearest pound.

Going concern

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Directors have considered the Company forecasts and projections. After making enquiries the Directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Income is credited to incoming resources when the conditions of entitlement, probability and measurement have been met. Where income relates to a specific future period, it is deferred.

Membership and partnership income is recognised in the financial statements evenly over the period to which the fee relates and where received in advance is included as deferred income in creditors.

Grants are recognised as income over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Intangible fixed assets – Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment loss.

1. Accounting Policies (continued)

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Website development 33⅓% Straight line

Tangible fixed assets – Depreciation

Items of equipment are capitalised where the purchase price exceeds £500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Office equipment 33⅓% Straight line

Debtors

Debtors are recognised when the Company is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Creditors and Provisions

Creditors are recognised when the Company has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefit.

Financial instruments

The financial assets and financial liabilities of the Company are as follows:

Debtors – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 7. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals, and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 8. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Fund Accounting

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

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

1. Accounting Policies (continued)

Taxation

Tax is recognised in the Statement of Financial Activities, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the balance sheet date in the countries where the Company operates and generates income.

Pension scheme

The organisation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Company to the fund. The Company has no liability under the scheme other than for the payment of those contributions.

Key estimates and judgements

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Directors, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. Net incoming resources

is stated after charging the following:

	2022	2021
	£	£
Depreciation - owned assets	**9,524**	6,598
Amortisation - owned assets	**2,798**	6,990

3. Staff costs

	2022	2021
	£	£
Wages and salaries	**2,013,794**	1,388,393
Social security costs	**253,460**	162,174
Pension costs	**262,335**	163,289
Other staff costs	**25,162**	13,966
	2,554,751	1,727,822
The average employee headcount in the year was	**29**	21

The Directors, who are considered to be the Key Management Personnel of the Company, received no remuneration in the year (2021: £nil).
No director received any reimbursement of expenses in the year (2021: £nil).
No pension commitments, other than those disclosed above, were paid during the year (2021: £nil)

4. Corporation tax

The company will not be liable to tax on any surplus arising from membership fees as the income received is the result of mutual trading. Payments for services made by organisations/individuals who are not members of IIGCC will not be regarded as mutual trading income. Therefore such payments are trading income and tax is payable on the associated profits, if any.

5. Tangible fixed assets

	Office equipment
	£
Cost	
Brought forward	**34,354**
Additions	**14,483**
Carried forward	**48,837**
Depreciation	
Brought forward	**16,645**
Charge for the period	**9,524**
Carried forward	**26,169**
Net book value as at 31 December 2022	**22,668**
Net book value as at 31 December 2021	**17,709**

6. Intangible assets

	Website development £
Cost	
Brought forward	**29,403**
Additions	**-**
Carried forward	**29,403**
Amortisation	
Brought forward	**23,108**
Charge for the period	**2,798**
Carried forward	**25,906**
Net book value as at 31 December 2022	**3,497**
Net book value as at 31 December 2021	**6,295**

7. Debtors

	2022 £	2021 £
Membership receivable	**1,766,335**	1,545,629
Prepayments	**73,087**	46,912
Other debtors	**555,543**	167,210
	2,394,964	1,759,751

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	**144,014**	11,820
Sundry creditors and accruals	**342,192**	239,799
Taxation and social security	**283,730**	216,423
Deferred income	**3,625,263**	2,596,576
	4,395,198	3,064,618

Deferred income relates to membership income and grants relating to the next financial year.
Deferred income of £2,596,576 was released into 2022 and income of £3,625,263 was deferred into 2023.

To secure additional banking facilities the company provided, from May 2022, a fixed and floating charge over the assets of the company in favour of HSBC.

9. Movement in Funds

	Brought forward £	Income £	Expenditure £	Carried forward £
Restricted funds				
Corporate	-	1,669,302	(1,669,302)	-
Investor Practices and Policy	-	583,987	(583,987)	-
Other	-	140,812	(140,812)	-
				-
Total restricted funds	-	2,394,101	(2,394,101)	-
General fund	1,908,502	2,038,698	(1,480,210)	2,466,990
Funds at 31 December 2022	1,908,502	4,432,799	(3,874,310)	2,466,990

The restricted funds are separately identified within IIGCC's accounting records but are grouped here according to the IIGCC programme they support.

Movement in Funds - 2021 (Comparative)

	Brought forward £	Income £	Expenditure £	Carried forward £
Restricted funds				
Corporate	-	1,256,622	(1,256,622)	-
Investor Practices and Policy	-	622,989	(622,989)	-
Total restricted funds	-	1,879,611	(1,879,611)	-
General fund	1,229,688	1,598,163	(919,149)	1,908,502
Funds at 31 December 2021	1,229,688	3,477,774	(2,798,760)	1,908,502

10. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2022 £	2021 £
Less than one year	**50,000**	232,300
	50,000	232,300

Operating lease costs of £279,561 were recognised in the year (2021: £221,053)

11. Share Capital

The Company is a private company limited by guarantee and does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

12. Related Party Transactions

The Directors of the company are also directors of companies that are members / supporters / donors to Institutional Investors Group on Climate Change Limited. Owing to the operations of Institutional Investors Group on Climate Change Limited it is inevitable that transactions take place between Institutional Investors Group on Climate Change Limited and organisations in which the Directors have an interest. All such transactions are at arm's length and are on the same basis for all member companies. None of the Directors of Institutional Investors Group on Climate Change Limited or the companies that they represent receive any benefit from these arrangements.

Other than the above, there were no related party transactions which occurred in the year to 31 December 2022 (2021: £Nil).