

Institutional Investors Group on Climate Change Limited

Unaudited Report of the Directors and Financial Statements

for the year to 31 December 2020

COMPANY REGISTRATION NUMBER: 07921860



The Institutional Investors Group on Climate Change Limited

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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

One Crown Square
Church Street East
Woking, Surrey, GU21 6HR

Company Directors

Peter Damgaard Jensen (Resigned 2 December 2020)

Grégoire Haenni

Karl Erik Kleväng Callert (Resigned 2 December 2020)

Roelfien Annet Kuijpers

Adam Matthews

Dr. Udo Riese

Ian Richard Simm

Jelle Van der Giessen

Karlijn Van Lierop

Helena Vines Fiestas (Resigned 23 April 2021)

Jon Steingrim Johnsen (Appointed 1 December 2020)

Torben Möger Pedersen (Appointed 1 December 2020)

Faith Margaret Ward (Appointed 1 December 2020)

Accountants

JS2 Limited
One Crown Square
Woking
Surrey GU21 6HR

Reporting Accountants

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 2020

The Directors present this report with the financial statements of the company for the year ended 31 December 2020.

Principal Activities

IIGCC provides a collaborative platform to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future. This will be achieved through capital allocation decisions, stewardship and successful engagement with companies, policy makers and fellow investors.

During the year ended 31 December 2020, IIGCC carried out the following key activities:

IIGCC growth

Membership increased to 279 in 2020 (up from 202 at the end of 2019) with IIGCC members representing ca. €35.54 trillion in assets under management (AUM).

IIGCC has three clear areas of focus: policy, investor practices and corporate engagement reflecting the key investor levers for change. The programme teams work in strategic partnership with investors supporting, enabling and showcasing their role in the realisation of the transition to net zero in support of the goals of the Paris Agreement.

Policy

IIGCC co-led policymaker focused advocacy efforts throughout 2020 to showcase investor support for governments to deliver a sustainable economic response from the pandemic. This included the collaborative development of a global sustainable recovery investor statement, used for engagement at key global events including G20 and other ministerial-level meetings.

IIGCC also coordinated the support of 190+ investors representing €12 trillion AUM to a letter on an EU sustainable recovery, which was used for engagement with EU leaders and EU Parliament negotiation teams, ahead of EU Council meetings and important EU budget discussions.

IIGCC stepped up sustainable finance policy engagement activity with both EU and UK policymakers, providing investor perspectives on climate risk disclosure, the sustainable finance taxonomy and the EU's Renewed Sustainable Finance Strategy.

IIGCC called on EU and UK policymakers to set ambitious 2030 climate targets and provide clarity on the transition pathway for each sector in line with economy-wide net zero emissions. IIGCC put this ask to policymakers over the year in an IIGCC policy report, consultation responses and letters to policymakers.

Investor Practices

Through the Paris Aligned Investment Initiative, IIGCC worked with 70 members representing more than \$16 trillion in assets under management to develop a draft Net Zero Investment Framework, and conduct an extensive consultation process with external stakeholders on the Framework.

In partnership with Vivid Economics, IIGCC undertook modelling to test the impact of applying the Framework on the performance of real-world portfolios collectively valued at \$1.3 trillion, which showed positive outcomes, and will further support the application of the Framework by investors.

IIGCC launched the Net Zero Asset Managers initiative in December 2020, involving 30 initial signatories with over \$9trn in AUM. IIGCC is taking forward coordination of the initiative in collaboration with 5 other investor networks.

The Institutional Investors Group on Climate Change Limited

Report of the Directors As at 31 December 2020

IIGCC worked with Acclimatise, Chronos Sustainability and USS to develop guidance for investors on identifying, assessing and managing physical climate risks, which was published in May 2020. It also established a working group to develop an Investor Expectations for companies on management of physical risks.

IIGCC has also continued dialogue with UK financial services regulator including as an observer to the Climate Financial Risk Forum, co-chaired by the UK Prudential Regulation Authority and Financial Conduct Authority.

Corporate engagement

IIGCC, as part of its leading role in Climate Action 100+, supported major dialogue between investors and companies resulting in a range of European companies aiming to align their business with the global goal of achieving net zero emissions by 2050. Over half of companies engaged in Europe through the Climate Action 100+ initiative have now committed to achieve net zero emissions.

IIGCC published Investor Expectations for Paris Aligned Accounting which set out investor requirements for companies and auditors to address when assessing the degree to which climate risks may materially impact the financial statements of a company. The expectations were issued to over 40 European companies in a letter from a group of investors with over \$11 trillion in assets under management.

In addition to coordinating the European working group, IIGCC plays an active role in Climate Action 100+ globally. Stephanie Pfeifer, CEO, IIGCC and Stephanie Maier of HSBC Global Asset Management and chair of IIGCC's corporate programme sit on the Global Steering Committee, while staff members chair two key working groups implementing the initiative overall.

Communications

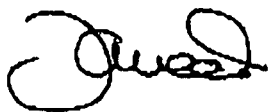
IIGCC's communications impact remained strong through traditional and digital media. Specific outlets in which IIGCC's work has been covered include BBC News, Bloomberg, CNBC, CNN, Dow Jones, Euroactiv, Financial Times, Handelsblatt, IPE, Les Echos, POLITICO, Responsible Investor, Reuters, Sky News, The Guardian, The Independent, The New York Times, The Telegraph, The Times, The Washington Post, Wall Street Journal.

IIGCC supported and led global communications for the launch of the Net Zero Asset Managers initiative, and continued to play a leading role in global communications for the Investor Agenda and Climate Action 100+. IIGCC secured high profile speaking opportunities including events and conferences run by the Financial Times, Reuters, IPE alongside a featured video address in the live Climate Ambition Summit co-convened by the United Nations, United Kingdom and France.

Audit exemption

For the year ending 31 December 2020, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The Directors have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

Signed on behalf of the company Directors



Faith Ward
Director

9 June 2021

Independent Chartered Accountants' Report to the Directors of The Institutional Investors Group on Climate Change Limited

For the year ended 31 December 2020

We have reviewed the financial statements of The Institutional Investors Group on Climate Change for the year ended 31 December 2020, which comprise the Statement of Financial Activities (Incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Directors' responsibility for the financial statements

As explained more fully in the Directors' Responsibilities Statement (set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants' responsibility

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements and ICAEW Technical Release TECH 09/13AAF (Revised) Assurance review engagements on historical financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice. ISRE 2400 (Revised) also requires us to comply with the ICAEW Code of Ethics.

Scope of the assurance review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed procedures, primarily consisting of making enquiries of management and others within the company, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 December 2020, and of its profit for the year then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice; and
- in accordance with the requirements of the Companies Act 2006.

Use of our report

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 21 May 2021. Our review work has been undertaken so that we might state to the company's directors those matters we have agreed to state to them in a reviewer'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 directors as a body for our review work, for this report or the opinions we have formed.

MHA MacINTYRE HUDSON

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

Date: 16/06/2021

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

For the year ended 31 December 2020

	Note	2020 Restricted £	2020 Unrestricted £	2020 Total £	2019 Total £
Income					
Donations and grants	9	1,004,876	-	1,004,876	191,310
Other trading activities	9	-	1,155,478	1,155,478	975,776
Total income		1,004,876	1,155,478	2,160,354	1,167,086
Expenditure					
Staff costs	3	735,678	283,848	1,019,526	667,159
Publication costs		5,447	11,674	17,121	9,326
Consultancy costs		88,712	86,513	175,225	10,316
Travel costs		279	3,548	3,827	44,123
Communications & public affairs		-	46,259	46,259	28,789
Office and support costs		125,186	69,854	195,040	143,060
Other costs		49,574	122,452	172,026	53,054
Total expenditure		1,004,876	624,148	1,629,024	955,827
Net income/ (expenditure)					
Net Movement in Funds		-	531,330	531,330	211,259
Total funds brought forward	9	-	698,358	698,358	487,099
Total funds carried forward		-	1,229,688	1,229,688	698,358

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 2020

Company Number 07921860

	Notes	2020 £	2020 £	2019 £	2019 £
Tangible fixed assets	5		8,975		5,732
Intangible fixed assets	6		4,892		11,895
Current assets					
Debtors	7	1,148,296		746,046	
Cash at bank and in hand		1,961,039		1,225,232	
		3,109,335		1,971,278	
Creditors: amounts falling due within one year	8	(1,893,514)		(1,290,547)	
Net current assets			1,215,821		680,731
Total net assets			1,229,688		698,358
Funds	9				
Restricted funds			-		-
General funds			1,229,688		698,358
Total funds			1,229,688		698,358

For the year ending 31 December 2020 the company was entitled to exemption under sections 475 and 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
9 June 2021

The Institutional Investors Group on Climate Change Limited

Statement of Cash Flows

As at 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the year (as per the statement of financial activities)	531,330	211,259
Adjustments for:		
Fixed asset additions	(6,745)	(5,788)
Intangible fixed asset additions	-	(5,810)
Depreciation charges	3,502	2,095
Amortisation charges	7,003	7,003
(Increase)/decrease in debtors	(402,250)	80,063
Increase/(decrease) in creditors	602,967	306,117
Net cash provided by (used in) operating activities	204,477	383,680
Change in cash and cash equivalents in the year	735,807	594,939
Cash and cash equivalents at the beginning of the year	1,225,232	630,293
Cash and cash equivalents at the end of the year	1,961,039	1,225,232

The Institutional Investors Group on Climate Change Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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 One Crown Square, Church Street East, Woking, Surrey, GU21 6HR. 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 including the impact of Covid-19. 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.

The Institutional Investors Group on Climate Change Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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
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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
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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.

The Institutional Investors Group on Climate Change Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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:

	2020 £	2019 £
Depreciation - owned assets	3,502	2,094
Amortisation - owned assets	<u>7,003</u>	<u>7,003</u>

The Institutional Investors Group on Climate Change Limited
Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3. Staff costs

	2020 £	2019 £
Wages and Salaries	820,580	543,737
Social Security Costs	96,721	53,100
Pension Costs	102,225	70,322
	<u>1,019,526</u>	<u>667,159</u>
The average employee headcount in the year was	<u>12</u>	<u>8</u>

The directors, who are considered to be the Key Management Personnel of the Company, received no remuneration in the year (2019 : £nil).

No director received any reimbursement of expenses in the year (2019 : £nil).

4. Corporation tax

The company will not be liable to tax on any surplus arising as income received is the result of mutual trading.

5. Tangible fixed assets

	Office equipment £
Cost	
Brought forward	12,277
Additions	6,745
Carried forward	<u>19,022</u>
Depreciation	
Brought forward	6,545
Charge for the period	3,502
Carried forward	<u>10,047</u>
Net book value as at 31 December 2020	<u>8,975</u>
Net book value as at 31 December 2019	<u>5,732</u>

The Institutional Investors Group on Climate Change Limited
Notes to the Financial Statements (continued)

For the year ended 31 December 2020

6. Intangible assets

	Website development £
Cost	
Brought forward	21,010
Additions	-
Carried forward	<u>21,010</u>
Amortisation	
Brought forward	9,115
Charge for the period	7,003
Carried forward	<u>16,118</u>
Net book value as at 31 December 2020	<u><u>4,892</u></u>
Net book value as at 31 December 2019	<u><u>11,895</u></u>

7. Debtors

	2020 £	2019 £
Membership receivable	832,422	691,012
Prepayments	11,606	16,899
Other debtors	304,268	38,135
	<u>1,148,296</u>	<u>746,046</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	81,299	19,818
Sundry creditors and accruals	58,530	30,522
Taxation and social security	123,448	125,393
Deferred income	1,630,237	1,114,814
	<u>1,893,514</u>	<u>1,290,547</u>

Deferred income relates to membership income and grants deferred to the next financial year.

Deferred income of £1,114,814 was released into 2020 and income of £1,630,237 was deferred in 2020.

The Institutional Investors Group on Climate Change Limited
Notes to the Financial Statements (continued)

For the year ended 31 December 2020

9. Movement in Funds

		Income	Expenditure	
	£	£	£	£
Restricted funds				
Ceres	-	627,512	(627,512)	-
ClimateWorks Foundation	-	132,601	(132,601)	-
Climate Investment Coalition	-	30,058	(30,058)	-
European Climate Foundation	-	201,332	(201,332)	-
Environmental Defense Fund	-	13,373	(13,373)	-
Total restricted funds	-	1,004,876	(1,004,876)	-
General fund	698,358	1,155,478	(624,148)	1,229,688
Funds at 31 December 2020	698,358	2,160,354	(1,629,024)	1,229,688

The restricted funds represent (1) sub-grants from Ceres that supported IIGCC in delivering the CA100+ initiative, (2) a grant from ClimateWorks Foundation that supported IIGCC's contribution to the Investor Agenda initiative, (3) a grant from the Climate Investment Coalition to support outreach to investors for commitments to green investments, (4) a grant from the European Climate Foundation that supported the work of the Paris Aligned Investment Initiative in developing the Net Zero Investment Framework, and (5) a grant from the Environmental Defense Fund to support IIGCC with climate related policy activity.

Movement in Funds - 2019 (Comparative)

	Brought forward	Income	Expenditure	Carried forward
	£	£	£	£
Restricted funds				
Ceres	-	171,378	(171,378)	-
Investor Agenda	-	19,932	(19,932)	-
Total restricted funds	-	191,310	(191,310)	-
General fund	487,099	975,776	(764,517)	698,358
Funds at 31 December 2019	487,099	1,167,086	(955,827)	698,358

The Institutional Investors Group on Climate Change Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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	
	2020	2019
	£	£
Less than one year	212,400	-
One to five years	221,250	-
Over five years	-	-
	<u>433,650</u>	<u>-</u>

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 2020 (2019: £Nil).