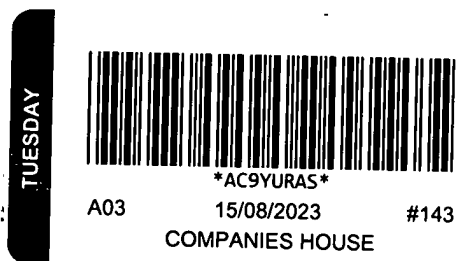


INVESTOR WATCH
Directors' Report and Financial Statements
For the year ended 31 December 2022



Company registration No. 06888857 (England and Wales)

Investor Watch

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Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2022 which have been prepared in accordance with the Financial Reporting Standard 102 and the Companies Act 2006.

Company Directors

The directors who served during the period were:

M Campanale
A Chapple
C Krosinsky
J Grayson
N Robins

No director has a beneficial shareholding in the company. The company held indemnity insurance on behalf of the directors for the year to 31 December 2022.

Registered Office

The company's registered office is at 42-44 Bishopsgate, London, United Kingdom, EC2N 4AH.

Auditor

The company's auditor is Crowe U.K. LLP who are based at 55 Ludgate Hill, London, EC4M 7JW.

Provision of Information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing a directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the directors to prepare financial statements for each financial period in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) 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 judgments and accounting estimates that are reasonable and prudent;

Investor Watch

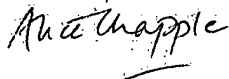
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that 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.

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.

The report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

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



A Chapple

Chair

31 July 2023

Investor Watch

Strategic Report

Mission & Objectives

Investor Watch aims to promote behaviour and approaches in capital markets that are aligned with a sustainable future, in particular but without limitation by:

- promoting the incorporation of the principles of social and environmental sustainability into the governance and operation of capital markets globally;
- promoting the recording, analysis, accounting, reporting and disclosure of the environmental impact of capital markets and the companies that use them; and
- promoting openness and transparency concerning the activities of investors, stocks exchanges, market regulators, listed companies and other market actors including but not limited to accountants, brokers and other financial intermediaries.

Its main activities are carried out by two initiatives. *Carbon Tracker Initiative* carries out in-depth analysis on the impact of the energy transition on financial markets and the consequences of potential investment in high-cost, carbon-intensive fossil fuels. *Planet Tracker* focusses on aligning capital markets with nature-based planetary boundaries.

Further details on these initiatives including their goals, 2022 activities and future plans are included in the sections which follow.

Structure & Governance

The Investor Watch Group of companies is comprised of Tracker Group Limited (formerly Carbon Tracker Initiative Limited, company registration number 08906960), Tracker Group Services Limited (formerly Carbon Tracker Services Limited, company registration number 10746958), Tracker Services Limited (company registration number 13780898) and Carbon Tracker Initiative Inc (US Company number 82-374457).

Tracker Group Limited is a company limited by guarantee and is governed by its memorandum and articles of association. Investor Watch Limited is the only member of the Company, with no share capital held. In the event of the Company being wound up, the liability of the sole member is limited to £1.

Tracker Group Limited has a 100% owned subsidiary called Tracker Group Services Limited. All trading income and associated costs are accounted for in the subsidiary.

There is also a US entity within the group – Carbon Tracker Initiative Inc, which is a public 501c3 charity in the USA. Due to a large number of funds being received from U.S. funders, Tracker Group maintains an Equivalency Determination, demonstrating that the organisation is the equivalent of a U.S. public charity.

Investor Watch has a 100% owned subsidiary called Tracker Services Limited, a dormant company.

The main activities of the group are the Carbon Tracker Initiative and Planet Tracker, which are carried out in the UK through Tracker Group Limited and in the US by Carbon Tracker Initiative Inc.

Investor Watch

Restructure of the Investor Watch group

With effect from 1 July 2022, Carbon Tracker Initiative Limited was renamed Tracker Group Limited and Investor Watch, Carbon Tracker Initiative's parent company, transferred Planet Tracker to Tracker Group Limited. From a day-to-day perspective, Carbon Tracker Initiative and Planet Tracker have continued to operate as distinctive brands and business units within Tracker Group Limited, with no activity in the Investor Watch parent following the restructure.

The Boards have come together to create a simple and more focused governance structure that will provide opportunities to explore and exploit synergies between the climate-focused research undertaken by Carbon Tracker and the nature-based research undertaken by Planet Tracker. As these two agendas increasingly converge, the Tracker Group will be in a better position to lead on these intersecting areas.

Activities and operations

As mentioned above, Tracker Group Limited houses two autonomous initiatives – Carbon Tracker Initiative and Planet Tracker. A description of each unit's operations and activities in 2022 is provided below.

Carbon Tracker Initiative

Carbon Tracker Initiative carries out in-depth analysis on the impact of the energy transition on financial markets and the consequences of continued potential investment in high-cost, carbon-intensive fossil fuels. It provides data and asset-level analysis to various stakeholders to allow them to challenge business as usual fossil fuel demand growth assumptions; to challenge unnecessary capex in new fossil fuel production; and to engage with company boards about corporate strategy amidst a fast-moving market environment. This is to ensure that financial stakeholders support an energy system that stays within a 1.5°C global average temperature rise.

The team of financial market, energy, legal and communications specialists apply ground-breaking research using leading industry databases to map both risk and opportunity for investors on the path to a low-carbon future.

The research activities of Carbon Tracker are split into two sector-focussed areas, and several cross-cutting themes. An outreach and communications team work on disseminating the research outputs through publication and events. The two sector-focussed areas are **Oil & Gas** and **Power & Utilities**. Cross cutting research themes include accounting disclosures assessments, asset retirement obligations (AROs), analysis of individual company transition plans, Cleantech and Automotive.

There are three over-arching objectives:

- Investors accelerate the energy transition by shifting capital away from fossil fuel investments and reallocating towards renewables
- Regulators force companies to disclose material assumptions that are impacted by climate, resulting in pricing changes in the market, and fossil-fuel based investments/lending becoming less attractive
- Policymakers & investors acknowledge economic realities, justifying a wind down of coal and gas generation

In 2022 Carbon Tracker focused on moving the debate with investors and policy makers to how systems and industries need to be shaped for a secure and affordable timely energy transition, and how policy/regulation and investors can drive market-based financially sustainable solutions.

Investor Watch

Carbon Tracker continued its involvement with groundbreaking initiatives such as the Fossil Fuel Non-Proliferation Treaty's Global Registry project and inputting into key networks such as the Glasgow Financial Alliance for Net Zero (GFANZ). Carbon Tracker is a key contributor to the investor-led initiative Climate Action 100+, assessing specific companies against the benchmark, with updated analyses of all 157 companies to the indicator in October 2022.

In 2022 Carbon Tracker Initiative won the Environmental Finance NGO/charity/non-profit of the year Impact Award.

More details of activities and specific impact in the year 2022 are published in Carbon Tracker's Annual Review, available on the company's website www.carbontracker.org.

Planet Tracker

Planet Tracker is an award winning, non-profit financial think tank producing ground-breaking insights to align capital markets with planetary boundaries. It engages with financial institutions to use the transformative power of investments to achieve a nature positive economy.

Planet Tracker blends financial knowledge with in-depth data analysis and environmental expertise to produce insights which target environmentally unsustainable practices and identify the companies causing the damage and the financial services organisations enabling these practices to continue unchallenged.

In addition to its publicly available analysis, a key aspect of Planet Tracker's work is confidential, constructive dialogue with financial institutions. It provides solutions to drive sustainable change and ensures they are informed about the environmental risks in their portfolios, but also provides pathways for opportunities for nature positive investment opportunities.

In 2022 there were four main areas of work that Planet Tracker delivered:

- **Food Systems Transition**, which seeks to address the challenges of feeding an ever-growing world population with diminishing natural capital resources and covers:
 - **Oceans** - The sustainability of our seafood supply is an important focus for the Sustainable Development Goals (particularly SDG 14: Life Below Water) and for ensuring the ongoing viability of our food systems; and
 - **Food and Land use** - Examines the relationship between food and agriculture companies, environmental risks and financial return, thereby exploring the materiality of embedded nature.
- **Material Systems Transition**, which addresses two enormous industries with correspondingly enormous environmental issues:
 - **Textiles** - While "fast fashion" has created cheap and abundant availability of clothing globally, it has also created intolerably high and unsustainable problems, with toxic production practices, degradation of natural resources including high water impact, excessive energy use, massive and growing waste and labour injustice; and
 - **Plastics** - To stem the flow of environmentally damaging plastics and related products that are creating global waste and health issues and to stop fossil fuel companies from flipping fuel resources to excessively ramped up plastics production (thereby not scaling down extraction) by assessing and influencing investors and lenders in the sector from resins production through to product use revealing the risks and where possible alternative production opportunities.
- **Influencers**, which is initially examining the influence of advertising agencies and seeks to identify the investment flows in this highly complex sector, and the commitments made in earnings calls, and use these in collaboration with a network of proactive and complementary NGOs, to bring pressure to bear on the advertising agencies to stop

Investor Watch

accepting work from clients whose products or actions are environmentally damaging and thus to discourage the clients from continuing such promotion.

- **Thought leadership** - In addition to addressing challenges and solutions in our main programmes, Planet Tracker aims to foster debate on themes which transcend the sector-specific nature of our industry focus and are applicable across all our programmes.

Planet Tracker also examined **water** as a cross-cutting theme across all of these programmes.

In order to embed this thinking and change the behaviour of the key actors in the finance sector we are looking to change, we have a major focus on **communications, engagement and outreach**. This involves targeting both media channels to amplify our messages as well as directly selling to/influencing key financial markets actors by building in-person relationships to maximise the potential for the implementation of our recommendations.

Key to engaging the right people is Planet Tracker's reputation which was enhanced considerably during the year by winning several prestigious **awards** including an Environmental Finance Sustainable Investment Award (for Thought Leadership Paper on Sustainable Investing – Latin America) and Non-Profit Sustainable Business of the Year at the Business Champion Awards. Also, Planet Tracker regularly presents ideas at high-quality conferences, including in-house ones held by financial institutions and appearing on key platforms including COP27 and COP15 in 2022.

Industry Tracker

Industry Tracker was created in 2021 with activities running to April 2022. Its mission was to accelerate transition planning for companies in carbon intensive industries through providing evidence-based research to investors that can influence change in companies particularly groups such as CA 100+. In 2022, the team published 'Net Zero: In a Binder' an in-depth report assessing what climate transition means for the cement sector.

Significant changes

Other than the restructure, there were no significant changes to how the initiatives were managed in the year. Staff turnover and retention was at expected levels. In the area of staff engagement in 2022 the organisation focussed on improving organisational knowledge of Mental Health. Three staff members volunteered to receive training and become Mental Health First Aiders, and there have been ongoing team activities since then to raise awareness and remove stigma around mental health.

Future development and plans

There are ambitious plans across the different Carbon Tracker and Planet Tracker workstreams for 2023. A number of climate-nature nexus activities are planned that leverage capabilities of both initiatives, including increased cooperation and coordination around events.

Staff retention will be a key focus, with a Reward and Benefit review planned to ensure the group is competitive in the market. Diversity, Equity and Inclusion initiatives will continue with a renewed focus on recruitment.

Operationally there are continuing projects and initiatives to strengthen internal systems and processes. The organisation is investing in improving its monitoring and evaluation capabilities, as well as further developing its CRM system. The organisation will strive to further improve its reporting of carbon emissions, with additional parts of the business being added to the baseline in 2022.

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Sustainability

Commitment - SME Climate Hub

In 2022 Investor Watch's operating subsidiary Tracker Group Limited committed to the UK Government's SME Climate Hub. This means that the company formally recognises climate change poses a threat to the economy, nature and society-at-large, and it commits to take action immediately in order to:

- Halve our greenhouse gas emissions before 2030
- Achieve net zero emissions before 2050
- Disclose our progress on a yearly basis

Measurement - Planet Mark certification

The first year of measurement was 1 January to 31 December 2021. Tracker Group Limited's (previously Carbon Tracker Initiative Limited) footprint for the period was certified by Planet Mark in 2022.

Planet Mark is an internationally recognised sustainability certification, offering tailored certifications for businesses and real estate. Planet Mark members must reduce their carbon footprint by at least 2.5% every year but targeting a 5% annual reduction in carbon emissions is recommended. Planet Mark is an official partner to the UN-backed Race to Zero.

Knowing what the company's footprint is allows us to set targets for measurable reductions in future periods, not only with our own carbon footprint, but also with our partners and suppliers as part of our "Scope 3" emissions, which are the indirect carbon emissions from our supply chain.

Carbon Tracker Initiative's 2021 carbon footprint

As a think tank without extensive physical operations, our primary sources of carbon emissions are our offices, most of which are controlled by third-party landlords, and business travel.

Recognising that the most significant reductions in our carbon footprint will come from the availability of renewable energy in our offices or technology advancements such as "green" aircraft fuel, we are exploring realistic and sustainable ways in which we can directly impact our carbon footprint.

GHG emissions data (location based)

	FY2021	
	tCO2e	tCO2e/FTE
Scope 1	4	0.14
Scope 2	5.6	0.19
Scope 3	13.9	0.47
Total gross emissions	23.5	0.79

Investor Watch

Certified emissions offset*	23.5	
Total net emissions	-	

Energy consumption per year

	FY2021
	kWh
Energy consumption (Gas and purchased electricity)	74,552.7

Emission sources included: electricity, natural gas, water, business travel, homeworking (excluded from footprint).

Excluded: home working and commuting, waste, paper, other companies in the group.

*We offset our emissions in 2021 through a carbon credit purchase from Fenix Carbon.

2021 is our baseline year. It is a challenging baseline year as it was the final year of lockdowns where we had not yet come back to normal levels of operational activity.

In 2022 Planet Tracker and the Carbon Tracker team combined under Tracker Group Limited and the Carbon Tracker team also moved office. The challenge will be to manage growth within a carbon reduction plan. As this is the first year of reporting back, our initial aim is to achieve at least a 5% reduction in 2022.

Through our 2021 Business Certification with Planet Mark, we are also proud to have protected an area of endangered rainforest with *Cool Earth* – a charity working alongside rainforest communities to halt deforestation. Our pledge through Cool Earth goes directly towards supporting the Asháninka community in Central Peru.

Key actions and initiatives to date

Tracker Group Limited offers the cycle to work scheme. Data quality is key and the company is engaging with its landlord to improve data on utility consumption, water, and waste management. The aim is to include home working and commuting data in future years.

Travel makes up a large part of emissions and in 2022 the team strove to travel by rail instead of flying. The company is engaging with its travel suppliers to provide better reporting, recording distances travelled and carbon emissions.

In the area of procurement, the company has started vetting suppliers according to their ethical and environmental credentials. For example, a fully electrified taxi company is used for pre-booked London journeys.

Investor Watch

Beyond initiatives at the organisational level, the company strives to educate and empower employees with respect to actions they can take individually. The goal is to improve education and awareness regarding climate change mitigation, adaptation and impact reduction.

Social value contribution

Social Value is the net social and environmental benefit generated by an organisation to society through its corporate and community activities. These are then reported as financial values or records of achievement. Social value categories reported include people measures such as DEI and other training provided to staff in the year. The social value contribution for 2021 was measured at £6,604 or £222 per employee.

Financial Review

These financial statements are prepared for the year end 31 December 2022.

They are consolidated accounts including Tracker Group Limited (formerly Carbon Tracker Initiative Limited), Carbon Tracker Initiative Inc and Tracker Group Services Limited (formerly Carbon Tracker Services Limited).

The Group continued to receive most of its income from philanthropic institutions in 2022. Total Group income increased by 5% (£433k) in the year to £9.4M (2021: £9.0M).

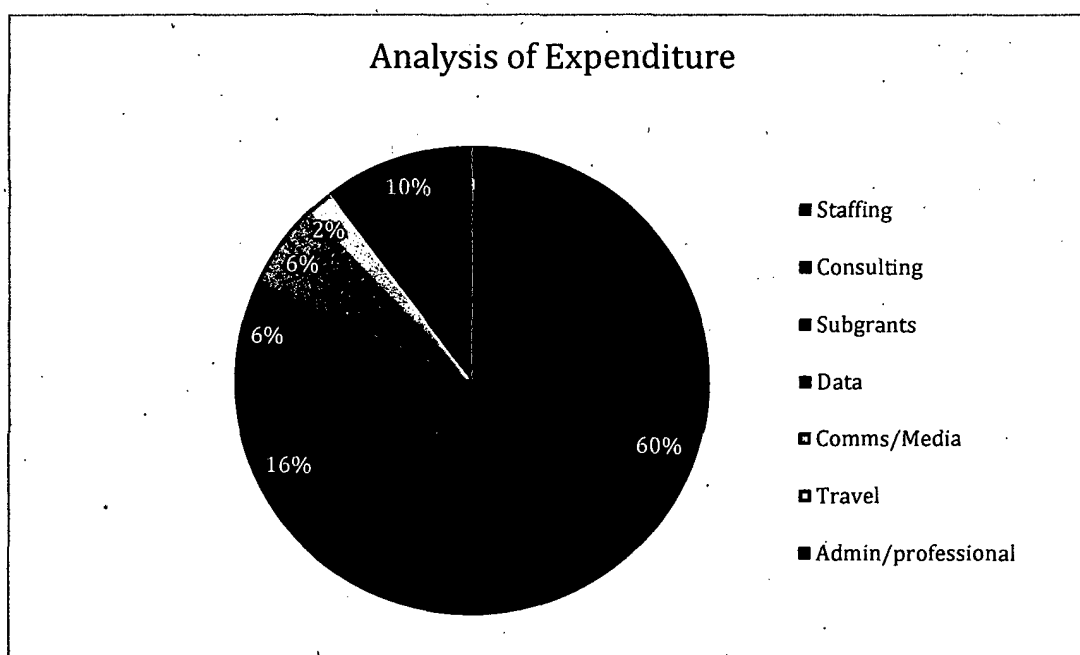
Total expenditure increased by £2.2M to £9.2M (2021: £7.0M). This was primarily due to the scaling up of staffing levels in line with the income received in advance in 2021. Staffing remains the Group's largest cost at £5.5M (2021: £4.4M). Most of the Group's expenditure was spent directly on its research and engagement activities. The remainder was utilised to ensure that the companies are governed appropriately.

The Group returned a surplus of £223k for the year (2021: surplus of £1.9M).

Total fixed assets have decreased in the period by £16k to £64k due to depreciation. Total debtors have increased by £47k in the year to £856k (2021: £809k) due to an increase in trade debtors from one delayed funder payment. Cash at bank has decreased by £0.1M to £6.1M (2021: £6.2M). Total creditors decreased in the period by £0.3M to £1.9M (2021: £2.2M) due to a reduction in the income deferred compared to 2021.

The Group's expenditure breakdown is depicted in the chart below. Staff (60%) and consulting (16%) costs bring our total human resource cost to 76%. Administration/professional costs include HR, IT/systems, professional and legal fees, training and other office costs. Communications and media include costs for organising events, printing and translation of reports.

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Principal risks and uncertainties

The management of activities and the execution of the group's strategy are subject to a number of risks. The group's risk register is reviewed by the executive team on a quarterly basis and annually by the Board. Risks are captured following an internal process to identify the highest risks facing the organisation. The Directors ensure that for each risk:

- Mitigation procedures are developed.
- Responsibilities for implementation and review are assigned.
- The status is monitored on a regular and timely basis.

The risk register was reviewed taking into consideration external factors such as political uncertainty and economic disruption. Cybercrime is a continuing risk and the company continues to train staff as well as work closely with IT support to ensure adequate controls are in place. There are heightened external risks such as foreign exchange risk, where mitigating measures are in place (account in USD, minimum GBP cash level maintained). The company operated a hybrid working model during 2022.

Key risk areas in the year ending 31 December 2022 included the following:

Financial risks

The Group relies almost exclusively on philanthropic donations to support its objectives. To date the Group has been successful in securing sufficient funding to enable the organisation to effectively deploy resources in a timely manner to achieve impact. Securing this kind of funding is increasingly competitive and a key risk is the Group's ability to continue to secure the current level of unrestricted and restricted funding on a multi-year basis. Management will continue to focus on ensuring the Group remains a key part of relevant communities across the areas in which we work.

The majority of funding is received in USD with outlay predominantly in GBP supporting a team that is principally based in London. This has implications for cash flow management and

Investor Watch

exposes the organisation to exchange rate fluctuations. In order to mitigate this fluctuation risk, the Finance team regularly reviews the company's exposure and commitments with input from currency brokers.

Recruitment and retention of key employees

The Group is dependent on its ability to attract and retain exceptional talent and relies on specialist staff for technical knowledge. In 2022 there was high inflation due to the energy, fuel and food crises. Both Carbon Tracker and Planet Tracker were in a position to make modest cost-of-living adjustments at the start of 2023, in order to mitigate the risk of personnel loss.

The job market in the climate finance and ESG space is increasingly competitive therefore the organisation must ensure it continues to provide an attractive employment offer to staff. As well as various rewards and benefits, the management is also invested in activities aimed at ensuring a healthy workplace culture as well as allowing for flexibility around hybrid working.

Media attack

Due to frequent coverage of the Group's work in the media, there is a risk that one or the other brands become subject to a media attack, which damages the Group's reputation. The company has procedures in place for crisis media management if necessary and to ensure relevant staff are trained in use of social media and there is an internal quality control review of all public statements, as well as quality control over all reports issued.

Reserves policy

The target level of free reserves was £2.0M in the year. This was considered appropriate to bridge the gap between the spending and receiving of income and to enable the Group to manage its cash flow and provide working capital for day-to-day operations. This also maintains a sufficient level of reserves to cover our contractual obligations to staff. The Group free reserves as at 31 December 2022 were £5.1M (2021: £4.9M). The free reserves level is tracked through monthly management accounts which include a cash flow forecast. Total Group carried forward reserves are £5.1 million. The Group continues to be reliant on obtaining unrestricted pre-financing from funders in order to carry out its activities. The free reserves balance at year end is expected to be spent on activities in the next year. Management will aim to keep the level of free reserves at £2.0M at all times to ensure that the Group is sustainable.

Going Concern

Set out above is a review of the Group's financial performance and unrestricted reserves position as at 31 December 2022. The Directors have a reasonable expectation that adequate resources will be available to enable the Group to continue in operational existence for the foreseeable future.

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The Directors believe that there are no material uncertainties that call into doubt the Group's ability to continue. Their view is based on a review of the latest cash flow projections and the assumptions contained therein, including consideration of the latest funding pipeline and the financial risks the Group faces as described above.

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

A handwritten signature in cursive script, appearing to read 'A Chapple', with a horizontal line underneath.

A Chapple

Chair

31 July 2023

Investor Watch

Independent Auditor's Report to the Members of Investor Watch

Opinion

We have audited the financial statements of Investor Watch for the year ended 31 December 2022 which comprise the Profit and Loss Account, Balance Sheet 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 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 the profit 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.

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

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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 our audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and their 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 by the company; or
- the company 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 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.

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Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Directors about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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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.



Tim Redwood

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

10 August 2023

Investor Watch

Group Consolidated Income and Expenditure Account

For the year ended 31 December 2022

	2022	2021
	£	£
Income	9,384,523	8,951,570
Expenditure	(9,162,012)	(7,036,911)
Operating Surplus	222,511	1,914,659
Interest income	612	291
Net surplus for the year	223,123	1,914,950
Reconciliation of reserves		
Total reserves brought forward	4,896,205	2,981,255
Total reserves carried forward	5,119,328	4,896,205

The Group has no recognised gains or losses in the year other than those stated in the above income and expenditure account; therefore no Statement of Total Recognised Gains and Losses has been presented.

All amounts relate to continuing activities. On 1 July 2022, the activities of Investor Watch (Planet Tracker) were transferred to its subsidiary Tracker Group Limited.

The Group no longer qualifies for the small companies exemption and consolidated group accounts have been prepared for the first time in 2022.

See Note 2 for Investor Watch Company only profit and loss and Note 11 for detail on the value of assets on 1 July 2022.

The notes on pages 22 to 30 form part of these financial statements.

Investor Watch

Group Consolidated Balance Sheet

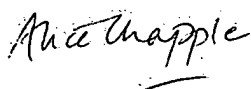
At 31 December 2022

Company No. 06888857

		Group 2022	Group 2021	Company 2022	Company 2021
	Notes	£	£	£	£
Fixed Assets	6	63,854	80,091	-	46,612
		<u>63,854</u>	<u>80,091</u>	<u>-</u>	<u>46,612</u>
Current assets					
Debtors	7	856,173	809,104	8,388	285,718
Cash at bank and in hand		6,061,064	6,170,213	297,533	1,371,604
		<u>6,917,237</u>	<u>6,979,317</u>	<u>305,921</u>	<u>1,657,322</u>
Creditors: amounts falling due within one year	8	(1,861,763)	(2,163,203)	(286,351)	(1,547,305)
Net current assets		<u>5,055,474</u>	<u>4,816,114</u>	<u>19,570</u>	<u>110,017</u>
Net Assets		<u>5,119,328</u>	<u>4,896,205</u>	<u>19,570</u>	<u>156,629</u>
Reserves					
General Reserves		5,119,328	4,896,205	19,570	156,629
Total Reserves		<u>5,119,328</u>	<u>4,896,205</u>	<u>19,570</u>	<u>156,629</u>

The notes on pages 22 to 30 form part of these financial statements.

The financial statements on pages 19 to 30 were approved and authorised for issue by the Board of Directors and signed on its behalf by:



A Chapple (Chair)

Date: 31 July 2023

Investor Watch

Consolidated Cash Flow Statement

For the year ended 31 December 2022

	Note	2022	2021
		£	£
Net cash used in operating activities	9	(83,794)	1,855,311
Cash flows from investing activities			
Purchase of Fixed assets		(25,355)	(72,213)
Net cash used in investing activities		(25,355)	(72,213)
(Decrease)/Increase in cash and cash equivalents in the reporting period		(109,149)	1,783,098
Cash and cash equivalents at the beginning of the reporting period		6,170,213	4,387,116
Cash and cash equivalents at the end of the reporting period		6,061,064	6,170,213

The Notes on pages 22 to 30 form part of these financial statements.

Investor Watch

Notes to the financial statements

for the year ended 31 December 2022

1. Significant accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. Investor Watch meets the definition of a public benefit entity under FRS 102.

The consolidated financial statements present the results of Investor Watch ("the Company") and then also including its subsidiaries ("the Group") consolidated on a line by line basis, as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. This is the first year that the Group has not qualified for the small companies exemption and that consolidated accounts have been prepared.

The Company profit and loss is presented in Note 2, however no unconsolidated statement of cashflows has been presented as permitted by section 408 of the Companies Act 2006.

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment with respect to a period of one year from the date of approval of these financial statements.

Having carried out a review of the company's financial position, reserves levels and future plans, the directors have confidence that the company, including both the Carbon Tracker Initiative and Planet Tracker, remains a going concern for the foreseeable future. The directors have made this assessment considering the impact of continuing external economic pressures on the day-to-day activities of the company. The directors have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due and to allow management to continue to manage key business risks. Key risks and uncertainties are outlined in the Strategic Report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements are presented in Sterling, which is the functional currency of the Group.

Company status

Investor Watch is a private company limited by guarantee incorporated in England and Wales. Its registered office is 42-44 Bishopsgate, London, United Kingdom, EC2N 4AH.

The Group consists of Tracker Group Limited (formerly Carbon Tracker Initiative Limited) a company limited by guarantee (registration number 08906960) whose sole member is Investor Watch. In the event of the company being wound up, the liability of the member is limited to £1.

Tracker Group Limited has a 100% owned subsidiary called Tracker Group Services Limited (formerly Carbon Tracker Services Limited), company registration number 10746958.

A U.S. affiliate called Carbon Tracker Initiative Inc was formed in 2017 with Tracker Group Limited (formerly Carbon Tracker Initiative Limited) as its sole member (US Company number 82-374457). The application for tax exempt status was submitted to the IRS in 2017, and the letter of determination was received (confirming 501c3 status) in 2018.

Investor Watch

1. Significant accounting policies (continued)

Investor Watch has a 100% owned subsidiary called Tracker Services Limited, a dormant company registered number 13780898.

Significant judgements and estimates

Preparation of the accounts requires the trustees and management to make significant judgements and estimates. Items in the accounts where these judgements and estimates have been made include:

- Revenue recognition and the treatment of deferred income balances relating to performance related grants and contracts as explained in the accounting note below.
- The judgement that expenditure incurred on performance-related grants and contracts is a reliable basis for estimating the right to receive payment for the work performed.
- The judgement that no provision is required for disallowed expenditure under donor funding agreements

There are no other areas of significant uncertainty.

Income

The Group receives most of its income from philanthropic institutions. Income is recognised when the Group is entitled to the income, where the amount can be measured with reasonable reliability and when the Group is reasonably certain of receipt.

Grant income is recognised when receivable unless it is considered to be performance related in which case it is recognised in line with activity represented by the expenditure incurred according to the conditions of the Grant Agreement. Entitlement to income received under performance related grants only arises as these conditions are met. Expenditure in excess of cash received is included in the balance sheet as a debtor (as accrued income), with cash received in excess of expenditure being included as a creditor (as deferred income). Income received from unrestricted funders is recognised on receipt.

Interest income represents bank interest income.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised where there is a legal or constructive obligation to pay.

Expenditure on non-profit activities includes the direct cost of planning, staffing and operating the Group's activities. It also includes support costs, which represent costs of providing the organisational services that support the non-profit activities.

Pension Costs

The Group makes contributions to defined contribution pensions schemes with contributions recognised as earned by employees in the year.

Audit Fee

The Group audit fee for the period is £33,000 (year ended 31 December 2021: £29,500).

Investor Watch

1. Significant accounting policies (continued)

Tangible Fixed Assets

Tangible fixed assets are stated at cost less any provision for depreciation. Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category	Annual rate
Computer Equipment	33%
Office Equipment	33%

Intangible Fixed Assets

Development costs of Websites are capitalised as an intangible fixed asset only where they lead to the creation of an enduring asset delivering tangible future benefits for the Group. Expenditure incurred on maintaining websites is written off as incurred. Website costs are amortised over their estimated useful economic lives on a straight-line basis as follows:

Asset Category	Annual rate
Website & Software Development	33%

Foreign currencies

Transactions in currencies, other than the functional currency of the Group, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period.

All differences are taken to the profit and loss account.

Taxation

Corporation tax is calculated on trading income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Financial instruments

The Group only holds financial instruments of a kind that qualify as basic financial instruments.

Financial assets include trade receivables, accrued income and other debtors as detailed in note 7. These are recognised at transaction value and subsequently measured at their settle value. Prepayments are not financial instruments.

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

Financial liabilities include trade payables and accruals and other creditors as detailed in note 8. These are recognised at transaction value and subsequently measured at their settled value. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instrument.

Investor Watch

2. Income & Expenditure – Investor Watch Company

For the year ended 31 December 2022

	Company 2022	Company 2021
	£	£
Income	1,507,958	2,652,919
Expenditure	(1,645,017)	(2,621,647)
Surplus/(Deficit)	(137,059)	31,272

The primary activities of Investor Watch in 2022 were the Planet Tracker and the Industry Tracker initiative, which transferred to Tracker Group Limited on the 1 July 2022.

Investor Watch Expenditure includes the £162,043 transfer of net assets to Tracker Group Limited on 1st July 2022.

3. Employees and directors

Group employee costs (including Directors' emoluments) accounted for during the year amounted to:

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Salaries	4,570,024	3,676,871	723,716	1,350,121
Social security costs	627,725	531,053	93,167	153,370
Pension	263,297	232,710	24,856	46,214
Total	5,461,046	4,440,634	841,739	1,549,705

The average number of employees employed by the Group during the period was 62 (2021: 53). The average number of employees employed by the Company was 10 (2021: 19). This is because staff employed by the Company were transferred to Tracker Group Limited on 1 July 2022. There were no terminations or redundancies in the year.

The defined contribution pension scheme is operated on behalf of the employees of subsidiary undertakings. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Investor Watch

4. Directors remuneration

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Directors' emoluments	431,933	393,228	8,052	15,484
Contributions to defined contribution pension schemes	67,539	61,191	322	619
Amounts paid to third parties in respect of directors' services	16,000	3,840	7,200	3,840
Total	515,472	458,259	15,574	19,943

Six directors of Tracker Group Limited received emoluments in total of £25,750 for their roles as directors of Tracker Group Limited (2021: five directors, £22,333).

Two directors were paid £16,000 for non-director consultancy services by the Group in 2022 (2021: £3,840). For the Company this was £7,200 (2021: £3,840).

Key management personnel of the group are considered to be directors of Investor Watch, Tracker Group Limited and Tracker Group Services Limited. Carbon Tracker's Executive Director, CEO and COO serve as directors and their combined remuneration including defined contribution pension and employers NI was £527,837 (2021: £478,264).

5. Taxation

Tracker Group Services Limited and Investor Watch are subject to corporation tax. Carbon Tracker Initiative Inc has 501c3 status and is tax exempt.

The grants from philanthropic institutions do not constitute trading income and are therefore not subject to corporation tax. Corporation tax is payable on the Company's profits arising from bank interest in Investor Watch and its trading income in Tracker Group Services Limited.

6. Fixed Assets

	Group	Group	Group	Group
	Computer Equipment	Office Equipment	Website & software development	Total
	£	£	£	£
Cost				
As at 31 December 2021	89,380	2,610	128,666	220,656

Investor Watch

	Group	Group	Group	Group
	Computer Equipment	Office Equipment	Website & software development	Total
	£	£	£	£
Additions	25,355	-	-	25,355
Disposals	(5,042)			(5,042)
As at 31 December 2022	109,693	2,610	128,666	240,969

Depreciation

As at 31 December 2021	40,968	1,328	98,271	140,567
Charge for the period	27,872	520	11,480	39,872
Disposals	(3,323)	-		(3,323)
As at 31 December 2022	65,517	1,848	109,751	177,116

Net Book Value

As at 31 December 2021	48,412	1,282	30,396	80,091
As at 31 December 2022	44,176	762	18,916	63,854

	Company	Company	Company	Company
	Computer Equipment	Office Equipment	Website & software development	Total
	£	£	£	£
Cost				
As at 31 December 2021	29,327	2,610	33,750	65,687
Additions	7,308	-	-	7,308
Disposals	(36,635)	(2,610)	(33,750)	(72,995)
As at 31 December 2022	-	-	-	-

Depreciation

As at 31 December 2021	14,153	1,328	3,595	19,076
Charge for the period	4,528	259	5,579	10,366
Disposals	(18,681)	(1,587)	(9,174)	(29,442)

Investor Watch

	Group	Group	Group	Group
	Computer Equipment	Office Equipment	Website & software development	Total
	£	£	£	£
As at 31 December 2022	-	-	-	-
Net Book Value				
As at 31 December 2021	15,174	1,282	30,156	46,612
As at 31 December 2022	-	-	-	-

All company assets were transferred to Tracker Group Limited subsidiary on 1 July 2022 (see Note 11).

7. Debtors

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Trade Receivables	308,008	9,290	-	1,000
Amounts due from Group undertakings	-	-	8,088	-
Accrued income	262,942	513,561	300	150,379
Prepayments	285,223	286,253	-	134,339
	856,173	809,104	8,388	285,718

Investor Watch

8. Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Trade and other payables	246,335	228,217	-	96,710
Accruals	266,781	254,313	1,204	114,348
Amounts owed to Group undertakings	-	-	285,147	-
Deferred income	1,302,855	1,633,600	-	1,289,174
Other tax and social security	45,792	47,073	-	47,073
	1,861,763	2,163,203	286,351	1,547,305

In 2022 there was £29,578 of pension contributions included in trade payables (2021: £11,600).

Deferred income occurs when instalments on performance related grants are paid in advance of the performance conditions being satisfied.

9. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds	223,123	1,914,950
Adjustments for:		
Depreciation charges	39,872	41,137
Loss/(profit) on the sale of fixed assets	1,720	5,749
(Increase)/decrease in debtors	(47,069)	(407,050)
Increase/(decrease) in creditors	(301,440)	300,526
Net cash used in operating activities	(83,794)	1,855,311

Analysis of cash and cash equivalents

Cash in bank	6,061,064	6,170,123
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Investor Watch

10. Related party transactions

Directors' emoluments are disclosed in note 4.

During the year, two directors, Mark Campanale and Nick Robins, were advisory board members of New Venture Fund, one of Planet Tracker's funders. Investor Watch received £839k income from New Venture Fund in 2022 (2021: £733k). Accrued income relating to New Venture Fund at 31 December 2022 was £15k (2021: £141k).

There were no other related party transactions in 2022 (2021: nil)

11. Group restructure

With effect from 1 July 2022, Carbon Tracker Initiative Limited was renamed Tracker Group Limited and Investor Watch, Carbon Tracker's parent company, transferred its Planet Tracker business unit to Tracker Group Limited.

The fair value of net assets transferred from Investor Watch to Tracker Group Limited on 1 July were as follows:

	£
Fixed assets	43,557
Debtors	200,412
Cash	1,616,083
Creditors	<u>(1,698,010)</u>
Net cash assets transferred	<u>162,043</u>

The majority of the cash and creditor balance is deferred income, i.e. grant payments received in advance from funders for ongoing Planet Tracker projects. All current Planet Tracker grant contracts were novated and activities transferred over to Tracker Group Limited on 1 July 2022.

The income for Investor Watch for the period ended 30 June 2022 (prior to the restructure) was £1.5m (note 2). There was limited activity in Investor Watch after 1 July and the Company is now inactive.