REPORT TO THE BOARD OF TRUSTEES/DIRECTORS ON THE AUDIT OF ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2025

Audit progress

Audit progress has been good, and we thank the team at Carbon Gap for their assistance, in particular Arunoshi Singh, and at Deloitte Mwendwa Rwito. We commend James Townsend for taking this on following the departure of Phillip Wilson.

We received the full audit working papers from Deloitte following one revision which we suggested and which was agreed.

Audit report

Subject to approval of the accounts by the trustees/directors with delegated powers we are likely to issue an unqualified audit report.

Audit scope

We have been able to agree all balance sheet amounts as 'true and fair'.

We have performed transactional testing on revenue and expenses paying particular attention to the conditions attached to grant funding by funders.

We have agreed payroll and other operational expenses. This includes payrolls in other jurisdictions - Belgium and Switzerland.

We have considered the effectiveness of internal controls but have not relied on these when identifying the samples for our audit testing.

Accounts summary

There was one change that we identified which was the 6th instalment of a consultancy payment to SWECO for work being performed on your behalf in 2025.

The amount was £44,654.53 (€50,000) and given the way that you account for income on an 'expenses incurred' basis this had no effect on the result for the year (which was £nil) but did require adjustments to consultancy expenses and accruals, matched by an equal journal to deferred income and grant income.

In common with other funders you have suffered currency losses in 2025 related to funding received in USD. The currency loss for the year was £125,431.56. We tend to find that currency evens out over say a five-year cycle but in this particular year it went against you. The losses were almost wholly related to the USD and as mentioned is consistent with matters at other organisations we are involved with.

It is noted that all grants received are still treated as fungible, that is all funding is treated as though it is one combined funding stream. This is largely a practical matter as a lot of the work that you perform can apply to more than one funder's requirements at once and it is very hard to separate this out. The deferred income balance carried forward at 31 December 2025 is £2,699,813.01. It is

important that funders understand that you request that any funding unspent in year can be carried forward to the same work in a future year. The significance is that should a funder ask you to justify that you have spent their funding in a contractually specified period you may find this a difficult exercise.

The cash position is satisfactory and going concern is not in question. Funding held at the year end will cover approximately 11 months' expenditure if spending continues at the current rate once liabilities are taken into account.

In keeping with other charities of your size we have assisted with the preparation of the final accounts from records provided by Deloitte.

Unadjusted items

There were no adjustments made to the figures provided at the draft stage by Deloitte and no unadjusted items were identified.

Specific areas of additional work and recommendations

Use of funding after the term of funding has expired.

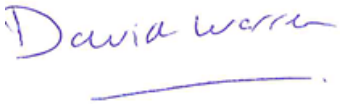
We have further considered the position regarding the identification of funding spent on an individual grant basis and the possibility that a funder could recall unspent funds at the end of the period specified in the grant agreement. We strongly recommend that you confirm with funders that any unspent funding can be carried forward to future accounting periods for use in the same work.

Restricted funds

Carbon Gap has shied away from accepting restricted funding wherever possible, largely on the grounds previously referred to that it is not straightforward to identify expenditure on a project by project basis. During the final review process it was identified that one funding stream (from the Windward Fund) should be disclosed as restricted, the relevant work was performed and alterations were made to the draft accounts to reflect this. We recommend that you revisit the conditions in clause VIII of the funding agreement to ensure compliance should Windward Fund wish to appoint their own auditor at any stage. We also recommend that should such funding be taken on again Deloitte are notified at an earlier stage.

Jack Andreasen Cavanaugh

Jack Andreasen Cavanaugh's appointment still needs to be notified to Companies House. It is recorded correctly with the Charity Commission.



David Warren
Partner
Cocke, Vellacott & Hill
Chartered Accountants

28 September 2026

Docusign Envelope ID: 59EE4DCD-BA86-8197-8091-801CCC73002B

CARBON GAP LTD
71-75 Shelton Street
Covent Garden
LONDON WC2H 9JQ

Cocke, Vellacott & Hill
Unit 15 City Business Centre
Lower Road
LONDON
SE16 2XB

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Carbon Gap Ltd (the "company") for the year ended 31st December 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results of the operations and financial position of the company in accordance with The Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS102).

Financial Statements

1. We acknowledge as directors our responsibility for the financial statements, as set out in the terms of your engagement letter dated 1 June 2024 in accordance with The Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which you have drafted on our behalf and which give a true and fair view of the financial position of the company as of 31st December 2025 and of the results of its operations for the year then ended and for making accurate representations to you.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value or where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed and we are not aware of further related party matters that require disclosure other than with the subsidiary companies which do not have to be disclosed as they are wholly owned within the group.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or included in the financial statements.
7. We confirm the financial statements are free of material misstatements, including omissions.
8. We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, the company is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.
9. We have considered and understand the risks of accounting for grant revenue as one income stream and have considered the risk of deriving a specific balance in respect of each funder should a funder ask for the return of any unspent funds at the end of the grant period specified in the grant award.

Information provided

10. All accounting records and relevant information have been made available to you for the purpose of your audit. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to request information. All other records and related information including minutes of all management, board and shareholders meetings have been made available to you.

Docusign Envelope ID: 59EE4DCD-BA86-8197-8091-801CCC73002B

CARBON GAP LTD
71-75 Shelton Street
Covent Garden
LONDON WC2H 9JQ

11. All transactions undertaken by the company have been properly reflected in the accounting records and are reflected in the financial statements.

11. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the company and involves management, employees who have a significant role in internal control or others, where fraud could have a material effect on the financial statements.

13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the company's financial statements communicated by employees, former employees, analysts, regulators or others.

14. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which could affect the financial statements. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

15. We confirm that we have disclosed to you the identity of the company's related parties and all related party relationships and transactions relevant to the company that we are aware of.

16. The company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.

17. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.

18. The company has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for directors, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.

19. All grants, donations and other income, the receipt of which is subject to specific terms or conditions have been notified to you. There have been no breaches of terms or conditions during the year in the application of such income.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing our audit report of which you are unaware. Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully,

Signed on behalf of the board of directors by:

.....	(Signature)	DocuSigned by: BB144749F63F49C...	DocuSigned by: Barbara Le Fleming 6AFE5A25F1B64F6...
	(Director)	9/28/2026	9/28/2026
28 September 2026		Cressida Pollock	Barbara Le Fleming
		Ms Cressida Pollock	Mrs

CARBON GAP LTD

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE 12 MONTH PERIOD ENDED

31st DECEMBER 2025

Company Registration No: 13557860

Charity Registration No: 1200562

INDEX TO THE REPORT & FINANCIAL STATEMENTS

LEGAL AND ADMINISTRATIVE INFORMATION 3
REPORT OF THE TRUSTEES 4
OBJECTIVES AND ACTIVITIES 5
PUBLIC BENEFIT 6
FINANCIAL PERFORMANCE 12
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARBON GAP LTD 16
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) 19
BALANCE SHEET 22
STATEMENT OF CASH FLOWS 24
NOTES TO THE FINANCIAL STATEMENTS 25

LEGAL AND ADMINISTRATIVE INFORMATION

REGISTERED ADDRESS	71-75 Shelton Street Covent Garden LONDON WC2H 9JQ
REGISTERED COMPANY NUMBER	13557860
REGISTERED CHARITY NUMBER	1200562
WEBSITE	www.carbongap.org
CHIEF EXECUTIVE OFFICER	Christoph Beuttler
BOARD OF TRUSTEES AND DIRECTORS	Jack Andreasen Cavanaugh Barbara le Fleming Timothy Kruger Cressida Pollock Irena Spazzapan Benjamin Tincq
BANKERS	Wise, London Lloyds, London
AUDITORS	Cocke, Vellacott & Hill Chartered Accountants Unit 15 City Business Centre Lower Road LONDON SE16 2XB

REPORT OF THE TRUSTEES

For the 12 month period ended 31st December 2025

The Trustees, who are also the Directors, present their report and the financial statements of the charitable company for the 12 month period ended 31 December 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes and which comply with the current statutory requirements and the requirements of the charity's governing instrument.

Structure, Governance and Management

Carbon Gap is a charitable company limited by guarantee and governed by its Articles of Association, revised and adopted on 22 September 2022.

Carbon Gap is managed by a board, made up of the Trustees/Directors who are also the members of the Company. The board met 3 times during the 12 month period. During this period Jack Andreasen Cavanaugh was appointed to the Board bringing his broad experience as a leader in the CDR sector. Members of the Board met regularly with senior management and in smaller groups on specific issues such as Finance and Audit and fundraising strategy.

The organisation is led by the Chief Executive Officer, Christoph Beuttler.

The senior management team is comprised of:

Dr S Delerce, Chief Science Officer
Mr J Townsend, Chief Growth Officer (appointed as Chief Operating Officer on 27 January 2026)
Mr P Wilson, Chief Operating Officer (left the organisation on 10 February 2026)
Mr A Mäkelä, Chief Policy Officer
Ms R Avornic, Policy Director

OBJECTIVES AND ACTIVITIES

Our charity's purposes are set out in the objects contained in the company's memorandum of association, and are to:

Further the charitable purposes of promoting for the benefit of the public the conservation, protection and improvement of the physical and natural environment, including the atmosphere and global climate system, and advancing the science of carbon removal and related technologies.

Ensuring our work delivers our aims

Carbon Gap has a theory of change to guide our strategy, which is reviewed by the board annually both with the senior management team and during away days. In this 12 month period, Carbon Gap held a number of offsite strategy sessions with the senior management team and board members and the CEO.

The theory of change states:

> *Carbon Gap's theory of change stipulates that CDR will not scale without making changes to the underlying 'rules of the game', such that all emissions are one day tied to an obligation to remove more carbon than was emitted, with an explicit preference which is to enshrine these changes into law wherever possible.*
>
> *CDR will not reach the scale that it needs to reach on its own. Unlike other climate technologies, such as solar and wind energy, CDR has no meaningful existing market to sell into.*
>
> *CDR is a type of planetary waste management, just like municipal waste collection, wastewater treatment, and nuclear waste disposal. The challenge faced in the case of CDR is arguably even more daunting than these other examples, given that CO2 is invisible, globally distributed, and extremely long lived in the atmosphere. Just like these other forms of waste management, CDR will not scale without changing the underlying 'rules of the game'.*

The focus of our work

- The advancement of practices and technologies that directly or indirectly remove carbon dioxide or other identified greenhouse gases from the atmosphere (referred to as "carbon dioxide removal");
- Carrying out and commissioning evidence-led research in the subject of carbon dioxide removal and publishing the useful results;
- Organising, convening, funding and delivering educational and research publications, activities and events with key stakeholders, organisations and individuals; and
- Building the capacity of academics, policymakers, NGO's, the public and others to understand, engage with and evaluate carbon dioxide removal.

PUBLIC BENEFIT

In planning activities for the 12 month period, the Trustees referred to the Charity Commission guidance on public benefit and the need to comply with their duties under section 4 of the Charities Act 2011.

Our objects and funding limit the work that we do to the conservation, protection and improvement of the physical and natural environment. Carbon Gap was created to be Europe's first independent, philanthropically funded environmental advocacy organisation focused on carbon dioxide removal (CDR).

There is a clear consensus among scientists and the IPCC that CDR needs to be deployed at a massive scale. The consensus is that it should be a complement to emissions reductions as part of an integrated climate policy; however we don't yet have that consensus among the public or policymakers.

Who used and benefited from our activities?

Our main activities are described below. All our charitable activities focus on the conservation, protection and improvement of the physical and natural environment for the benefit of the public and the planet.

Public benefit is derived from the outcomes of the activities which we undertake. We do engage generally with the public but may utilise convening opportunities such as citizen panels to create forums for discussions and capacity building. Our science and research led interventions have led to meaningful changes in policy, in law, and to the public understanding of the issues in the environment.

We work at multiple levels:

- Partnerships with other NGOs and Charities
- Gaining funding from independent philanthropic foundations
- Taking part as experts in public and private groups including EU expert groups and advising the politically agnostic UK civil service
- Advising and educating policy makers across parties
- Providing impartial, fact-based, research-led information to the public at large
- National and EU parliaments

What impact did our activities have?

Carbon Dioxide Removal requires a public consensus. In part, due to other related fields of work such as Carbon Capture and Storage being easier to understand and more widely discussed, more education is required with policy makers and the public at large to reach a consensus outside of science and academia that this is a critical part of the global journey to net zero.

Our work over the 12-month period has been wide ranging. Carbon Gap does not offer paid services: all the work we do is free to access including research, public databases, web portals, and expert

advice.

Policy Tracker

In February 2025 we launched a second version of our major initiative, the Carbon Gap Policy Tracker at an in person event in Brussels attended by influential policymakers, CDR practitioners and civil society representatives, with speakers from the European Commission's DG CLIMA, the UK Department for Energy Security and Net Zero, the Dutch Ministry of Climate and Green Growth, and a range of research and industry bodies.

The second version added a database of research, development and innovation funding opportunities, a deep dive into 20 EU funding programmes, nine comparative country analyses, and a redesigned interface. The funding database mapped more than 500 opportunities at launch and grew to almost 800 by the end of the year. We also extended the Tracker to the city level, publishing the first four case studies in a new series covering Helsinki, Oslo, Reykjavik and Stockholm, developed as part of the City CDR Initiative in collaboration with Bellona, RMI and Carbon180.

In June we released the Coordinated Allocation of Removal Efforts tool, known as the CARE calculator. The tool is free to use and allows anyone to explore how contributions to a global carbon removal target could be distributed between the EU and its Member States.

The Tracker averaged over 3,000 monthly users following the February relaunch, an increase of 42% on the 2024 monthly average, and served 35,000 users across the year. Its standing as a reference resource was confirmed when the European Commission identified our funding tracker as the principal source for its own mapping of EU funding for carbon removal.

Country Roadmaps for Carbon Dioxide Removal

Our Carbon Removal Readiness Assessments continued to map the capacity, feasibility and social acceptability of carbon removal country by country. In April we formally launched Phase 2 of the programme, extending the work to Finland, Germany, Italy, Poland and Spain, and building on the reports published for France and Norway. In November we published the Finnish assessment and its accompanying roadmap, launched at a well-attended event in Helsinki. The report sets out practical steps for policymakers, industry and society, and was covered by Carbon Pulse, Carbon Herald and MarketScreener.

As in previous years, the work engaged the public and local stakeholders directly rather than relying on desk research alone. We hosted a stakeholder workshop on Finnish removal potential in September, convened a citizen panel in Spain in October, and held a further assessment workshop in Berlin in November. The German assessment has been developed in collaboration with DENA, Prognos, Öko-Institut, PIK and SWP.

Policy Advice and Expert Guidance

The Carbon Gap website continues to serve as a document repository for research led papers and summaries that provide policy makers, industry and the public with independent guidance. Publications during the year include:

- "*Advancing carbon dioxide removal beyond the hype cycle*," presenting four levers that must be pulled to move carbon removal beyond the initial wave of attention it has received and

allow it to scale both rapidly and sustainably.

- "*Rising to the challenge: Funding CDR research, development and innovation for a net zero competitive EU*," estimating the funding the EU needs to commit to carbon removal in its next financial cycle and setting out recommendations to make that funding more visible, accessible and secure and to address top priority research questions.
- A report on greenhouse gas removal in the United Kingdom, co-authored with Ted Christie Miller, which finds that greater government commitment could unlock highly skilled jobs by 2050 and drive economic growth, with a foreword by Melanie Onn MP.
- "*Divide to Deliver*," a policy brief and accompanying technical analysis modelling three scenarios for how separate 2040 targets for emissions reductions and removals could develop, produced to inform the European Climate Law amendment process.
- "*From Targets to Tonnes*," examining how a Removal Compliance System could be designed to complement existing EU frameworks and drive long term demand for permanent removals while upholding environmental integrity. Our recommendation is to build on the existing EU Emissions Trading System by introducing a dedicated carbon removal sub mandate with strong guardrails against mitigation deterrence, and to develop a separate compliance system over the longer term.

Alongside these papers, we submitted formal responses to public consultations at the EU, national, and international level, including on the EU Multiannual Financial Framework, the EU Emissions Trading System revision and Innovation Fund, the European Climate Law amendment, the Industrial Decarbonisation Accelerator Act, CO2 transport infrastructure and markets, the Commission's technical scoping papers on enhanced rock weathering and ocean alkalinity enhancement, the Commission's 2026 Work Programme, the German national carbon removal strategy and its carbon contracts for difference programme, the United Kingdom's independent review of greenhouse gas removals, the UK consultation on transition planning, HM Treasury's spending review survey, the Natural Environment Research Council's Forward Look consultation, and the draft ISO standard on Net Zero Aligned Organisations.

The Carbon Gap team is comprised of expert researchers and policy strategists who have continued to take part by invitation in expert bodies. During the year we participated in the European Commission's expert group on carbon removal, served on the British Standards Institution Advisory Group developing the first United Kingdom minimum quality thresholds and methodologies for BECCS and DACCS, participated in the UK greenhouse gas removal industry group, and acted as a National Committee member and Expert Liaison organisation to ISO. We also established and now lead the UK GGR Policy Working Group, a coordinating body bringing together academia, private companies and civil society, which met three times in the year.

We convened policymakers and other key stakeholders directly through our own events, including a week long exhibition at the European Parliament, a policy workshop attended by 46 participants, the Brussels launch of "From Targets to Tonnes," our report on compliance options for driving lasting demand for carbon removals, the Finnish roadmap launch in Helsinki, a fireside chat on the like for like principle, a policymaker breakfast in Paris held with the Association Française pour les Émissions Négatives, a co-hosted stakeholder workshop in Spain, a session at Norway's Arendalsuka political festival, and our quarterly European carbon removal policy webinars. Our advice is always fact-based, research-driven and non-partisan, and our recommendations and guidance are published on our public website for transparency and peer review.

Direct Interventions

The European Union, member states and the United Kingdom were again very active in the sphere of climate policy over the period, and shifting political priorities continued to present challenges to our work. Carbon Gap has worked to advocate for the best possible position in line with our charitable purpose, both on legislation directly involving carbon removal and on files which, while tangential, could still significantly affect the development of a robust, regulated approach at scale.

European Climate Law and 2040 targets

The revision of the European Climate Law was the central EU file of the year. We advocated throughout for separate targets covering gross emissions reductions, permanent removals, and land sinks, on the basis that carbon removal must complement rather than substitute for decarbonisation.

The Council endorsed a 90% net target in October, the Parliament adopted its position in November, and agreement was reached at trilogue in December. We published a response welcoming the trajectory while noting our concern at the flexibilities included in the final text.

Demand side policy in the European Union

The concept of an EU purchasing programme for permanent carbon removal, which we placed on the agenda in 2024 through our EU strategy and subsequent policy brief, advanced substantially during the year. The European Commission published its own report assessing policy options for such a programme, for which we were interviewed more than any other organisation, and in December announced its plan for an EU Buyers' Club to pool and coordinate corporate purchases of carbon removal.

Research and innovation funding in the European Union

Research, development and innovation support for carbon removal within the Multiannual Financial Framework, the European Competitiveness Fund and the successor to Horizon Europe remains a top priority for the field. The Commission published two reports on research and innovation funding for carbon removal during the year. Both cited our funding need estimates, and aligned their methodology more closely with ours, producing more accurate estimates of funding need than those previously shared with us. Our publications were cited in all three of the Commission's carbon removal reports published during the year.

Carbon Removals and Carbon Farming Regulation

We continued to participate in the Commission's expert group advising on the development of certification methodologies under the Regulation, including the workshop evaluating enhanced rock weathering and ocean alkalinity enhancement. Working with stakeholders from across the biochar sector, we developed a joint proposal on how biochar could be responsibly integrated into the framework, achieving broad sectoral alignment and resolving what had become an impasse in the

process.

Green Claims Directive

We engaged the Commission, the Parliament and Member States throughout the trilogue negotiations, maintaining our recommendation that the Directive align fully with the certification framework and reflect the like for like principle. Negotiations on the file were halted in June 2025. We published an analysis setting out the consequences of that outcome, which in our view weakens the European Union's ability to protect consumers from greenwashing and to support companies committed to genuine climate action.

United Kingdom greenhouse gas removal policy

The United Kingdom's Independent Review of Greenhouse Gas Removals was published in October. We were closely involved throughout, contributing through expert roundtables convened by the Department for Energy Security and Net Zero and bilaterally with the Review's authors, and we were invited by Edward Morello MP to co-host the launch of the Review at the Houses of Parliament. The Review's recommendations echoed many of the calls we made in our June report, from driving demand through the UK Emissions Trading Scheme to addressing the research and development funding gap. During the year the government also published its response to the Emissions Trading Scheme consultation and the details of its greenhouse gas removal business model, a significant step towards targeted subsidy support through contracts for difference.

Germany

We responded to requests for technical advice on how carbon removal might be supported through the country's €100 billion climate transformation fund and contributed to the development of the strategy itself. That work continued with the carbon removal team at the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety. The team developed the Long term Strategy for Negative Emissions which covers public procurement, research and innovation funding, risk sharing instruments and potential market frameworks.

The Nordics

We helped to incubate the Nordic Carbon Removal Association, which launched at an event in Copenhagen in June alongside a report we co-sponsored on the region's untapped potential for job creation, innovation and climate leadership. The association grew its membership to 27 companies within six months of launch. Our proposal for the establishment of an intergovernmental working group on carbon removal for the region was received positively by the climate ministries of Norway, Iceland, Denmark, Sweden and Finland.

France

Our French Carbon Removal Readiness Assessment laid the groundwork for a shift in national policy. Having presented its findings to policymakers in Paris in April, France adopted our guidance to create a dedicated national carbon removal strategy. France went on to publish the third revision of its National Low Carbon Strategy, recognising for the first time the role of carbon removal in reaching

net zero.

Reach and recognition

Our online audience continued to grow as we delivered the tools, resources and content needed to champion carbon removal policy in Europe. Our engagement rate across all platforms was three times the climate sector average, generating over 200,000 impressions and 2,500 new followers on LinkedIn, an increase of 25% on the prior year, alongside 30,000 visitors to our website and 35,000 users of the Policy Tracker. Our work received exclusive coverage in Bloomberg and was referenced in Politico, S&P Global, Handelsblatt, Clean Energy Wire, Carbon Pulse, Carbon Herald and Revolve, and our Chief Executive was interviewed for a documentary by NZZ Format. Our research was cited in three European Commission reports, a study by the German development bank KfW, a Climate Recovery Institute report, and the CDR.fyi Durable Carbon Removal Global Policy Review.

In the pursuit of non-partisan public benefit, our work has involved seeing parliamentarians and officials from different political groups speaking at our events, requesting our guidance, and sitting side by side building consensus across these critical areas. We have maintained a unique niche in the climate world as we are truly seen to be independent policy experts and our work seeks to be non-partisan.

FINANCIAL PERFORMANCE

Carbon Gap is extremely grateful to all its donors throughout this 12-month period. In this financial year, the charity continued to demonstrate strong financial performance despite ongoing challenges within the external environment. Total income for the year amounted to £2.69m, which represents a 9.8% increase from the previous year.

Sources of Income

Our income was derived exclusively from philanthropic and independent foundations. We do not derive funds from the general public, and we have not received donations from any corporation or government.

Unrestricted funders:

- Quadrature Climate Foundation
- Grantham Foundation for the Protection of the Environment
- Breakthrough Energy Foundation
- Long Term for Planet and People
- Catherine Hovaguimian

Restricted funders:

- Carbon to Sea (Windward Fund)

Reserves Policy

Our income recognition policy states that we do not operate reserves at the year-end as all revenue is deferred to the following year. We therefore assess our status as a going concern by ensuring we have a year-end cash balance sufficient to cover three months' operational expenditure.

Fundraising Policy

Carbon Gap conducts its own fundraising activity and does not use a commercial fundraiser. Carbon Gap does not use direct mailing to raise funds from the public. Carbon Gap received no complaints about its fundraising activities in 2025. Trustees review Carbon Gap's fundraising on a regular basis. Carbon Gap is particularly grateful for the support of its many benefactors and hopes to build on this further in 2026.

Trustees/Directors

The Trustees of the charity in office during the 12-month period, who also served as Directors for the purposes of company law, were:

- Cressida Pollock (Chairperson, appointed Chair 22nd January 2024; appointed Trustee 28th February 2023)
- Timothy Kruger (appointed 28th February 2023)
- Barbara le Fleming (appointed 24 October 2023)
- Irena Spazzapan (appointed 28th February 2023)

- Benjamin Tincq (appointed 26th May 2022)
- Jack Andreasen Cavanaugh (appointed 9th October 2025)

The Trustees are not paid for their services as trustees. No trustee has an interest in any contract with Carbon Gap, nor do they receive any remuneration for their services.

Related Parties

As part of our commitment to transparency, we are required to disclose any related party transactions that have occurred during the financial year. A related party includes individuals or organisations connected with the charity, such as trustees, employees, or close family members. Details of other related party transactions are given at note 10 to these accounts.

The charity is connected to Carbon Gap ASBL, a Belgian non-profit association under common control with shared trustees and directors. The ASBL employs one member of staff. Its members in 2025 were Carbon Gap Limited (represented by Cressida Pollock) and Tim Kruger, and its directors were Tim Kruger, Eli Mitchell-Larson and Cressida Pollock.
During the 12 month period, the following related party transactions took place:

- **Trustee Name / Related Party**: Barbara le Fleming
  - **Nature of the Transaction:** Related party is a Trustee of Carbon Gap whilst also remaining in position as the Financial Director of Quadrature Climate Foundation, a major funder of Carbon Gap.
  - **Amount of the Transaction:** £2.28m received from Quadrature Climate Foundation during 2025 The related party was a Trustee of Carbon Gap at the time this transaction took place. Further funding was received in July 2025, after she had stepped down from the Board, and is therefore not a related party transaction.
  - **Reason for the Transaction**: The transaction is critical core funding for the charity, and the charity requires the expertise of the related party as a valued member of the trustee board due to her unique experiences.
  - **Approval Process**: Quadrature Climate Foundation has been a funder of the charity since incorporation. During board meeting discussions, and where a quorum is required for decisions, the related party recuses herself from relevant discussions and this is noted in the minutes of the board of trustees. The board also satisfies itself that there is no conflict of interest in her role at Quadrature Climate Foundation as the related party also recuses herself formally from any discussion or decision related to the charity.

The charity has procedures in place to ensure that any conflicts of interest are identified and managed. All trustees and senior management staff are required to disclose any potential conflicts at the start of each trustee meeting.

Future plans

The charity plans to continue the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements.

Regarding more specific priorities, demand remains the most existential issue facing the carbon removal field, and the majority of our effort in the year ahead will be directed towards it. That work divides into two horizons. In the short term we will continue to support emerging purchasing initiatives at EU and national level, and to publish research on how corporations and industry can put removals to use. Over the longer term we will examine the mechanisms capable of sustaining demand at scale, including the treatment of removals within compliance markets and how responsibility for different types of removal is shared between countries.

Demand does not exist in a vacuum. Alongside this we will continue our work on the enabling conditions that allow a market to function, building capacity across and beyond the removals sector through our convening, our public tools and our wider published work.

Trustees' responsibilities for the financial statements

The Trustees/Directors are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and with applicable Financial Reporting Standards.

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk Management

The Trustees reviewed the major risks to which the charity is exposed periodically at board meetings and satisfied themselves that proper systems and procedures are in place to manage those risks. All processes and procedures are reviewed by the trustee board once per year even in the event that no changes are proposed. Trustees continue to pay close attention to all developments that could affect the operations of Carbon Gap's partners and other donors, and their ability to continue to support Carbon Gap. The board recognises that there is currently significant funder concentration, with Quadrature Climate Foundation accounting for a significant share of total funding and is taking steps with management to diversify funding sources and thereby mitigate this

principal funder risk.

Financial risk is managed at each board meeting by reviewing management accounts, budgets and a cashflow forecast to ensure that we remain at all times a going-concern and that the actuals meet the forecasted range.

Any staff travel to conflict-affected areas takes full account of Foreign, Commonwealth and Development Office Travel Advice, and of the views of local contacts.

An insurance policy covering Directors' and Officers' Liability and Corporate Liability in connection with any negligence, default, breach of duty or breach of trust in relation to the company was in force during the 12-month period and at the time the report was approved, in addition to standard policies for Employers' Liability Insurance and Public and Products Liability Insurance.

Audit Enquiries

As far as Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Each of the Trustees has taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of such information.

Auditors

Cocke, Vellacott & Hill continue as auditors of the company.

By Order of the Board

DocuSigned by:
BB144749F63F49C...
Cressida Pollock
Trustee/Director, and Chair of the Board

28 September 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARBON GAP LTD

Opinion

We have audited the financial statements of Carbon Gap Ltd for the 12-month period ended 31 December 2025 which comprise the statement of financial activities, summary income and expenditure, balance sheet, statement of cash flows and notes to the financial statements including a summary of significant accounting policies. The financial framework that has been applied in their preparation is 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".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025, and of its incoming resources and application of resources for the 12-month period 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 Trustees' Report, which incorporates the Directors' Report prepared for the purposes of company law, for the financial 12-month period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included in the Trustees' Report has been prepared in accordance with applicable legal requirements.

Other matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, included within the Trustees' Report.

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustees (who are also directors of the charitable company for the purposes of company law) 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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.

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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have obtained an understanding of the charitable company's policies and procedures through discussions with senior management.

We also drew on our existing understanding of the work that the charitable company does.

We understand that the charitable company complies with its responsibilities through close involvement of the CEO and COO in the day-to-day running of the business and regular liaison between him and the Chair of trustees. Were there any litigation or claims they would come to the attention of the Executive Director directly.

The charitable company also holds regular board meetings. We have reviewed the minutes of all meetings, and no irregularities were identified.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct business and where failure to comply could result in material penalties.

We have considered the disclosure requirements of the Companies Act 2006 and the Charities Act 2011, along with the Charities SORP FRS102 and the Charities (Accounts and Reports) Regulations 2008 as part of our finalisation processes.

We discussed the possibility of fraud with senior management and whether they had any knowledge of any actual, alleged or suspected fraud. We designed our audit tests to consider controls and tested a sample of payments to fellows paying attention to the evidence obtained in respect of our sample fellows' identities.

In common with all audits under ISAs (UK) we also performed specific procedures to respond to the risk of management override. We assessed that the charitable company's control environment is adequate for the size and operating model of such a charitable company.

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.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Warren

DAVID WARREN BA FCA (Senior Statutory Auditor)

For and on behalf of COCKE, VELLACOTT & HILL
Chartered Accountants and Statutory Auditor
Unit 15, City Business Centre
Lower Road
LONDON SE16 2XB
Date : 28 September 2026

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

For the 12-month period ended 31st December 2025

	Notes	Unrestricted	Restricted	Total	Total
			2025		2024
		£	£	£	£
Income from:					
Charitable activities					
Grants received	2	2,596,085	95,326	2,691,411	*2,449,836*
Activities for Generating Funds					
Investment Income	3	4	-	4	*718*
Total income		2,596,089	95,326	2,691,415	*2,450,554*
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities					
Grants payable		-	-	-	-
Programme and project work	4	2,596,089	95,326	2,691,415	*2,450,554*
Total expenditure		2,596,089	95,326	2,691,415	*2,450,554*
Net income/(expenditure)		-	-	-	-
Other recognised gains/ (losses)		-	-	-	-
Corporation tax paid		-	-	-	-
Net movement in funds		-	-	-	-
Reconciliation of funds					
Total funds brought forward	11	-	-	-	-
Total funds carried forward	11	-	-	-	-

All of the operations undertaken by the charitable company during the current and preceding 12-month periods are continuing operations and there were no other recognised gains and losses other than those above.

The notes on pages 25 to 31 form part of these financial statements

BALANCE SHEET

as at 31st December 2025

	Notes	2025	2024
Fixed assets		£	£
Tangible assets	7	**19,140**	*22,548*
Total fixed assets		**19,140**	*22,548*
Current assets			
Debtors	8	**94,546**	*40,307*
Cash at bank and in hand		**2,825,662**	*2,353,033*
Total current assets		**2,920,208**	*2,393,340*
Liabilities			
Creditors: Amounts falling due within one year	9	**(2,939,348)**	*(2,415,888)*
Net current assets (liabilities)		**(19,140)**	*(22,548)*
Total assets less current liabilities		**-**	-
Creditors: Amounts falling due after one year		**-**	-
Total assets less current liabilities		**-**	-
Funds of the charity:			
Unrestricted Funds - general	11	**-**	-
Total charity funds	11	**-**	-

The financial statements were approved by the Board of Trustees on 28 September 2026 and signed on its behalf by: -

DocuSigned by:
9/28/2026
BB144749F63F49C...
) Cressida Pollock (Trustee)

DocuSigned by:
9/28/2026
6AFE5A25F1B64F6...
) Barbara le Fleming (Trustee)

Company Registration No: 13557860

notes on pages 25 to 31 form part of these financial statements

STATEMENT OF CASH FLOWS

For the 12-month period ended 31st December 2025

	Notes	2025 £	*2024 £*
Cash flows from operating activities			
Net movement in funds		-	-
Add back depreciation charge	7	**8,227**	*6,054*
Decrease/(increase) in debtors	8	**(54,239)**	*(25,047)*
Increase/ (Decrease) in creditors	9	**523,460**	*1,203,813*
Net cash generated from operating activities		**477,448**	*1,184,820*
Cash flows from investing activities			
Purchase of tangible fixed assets	7	**(4,819)**	*(13,230)*
Net cash used in investing activities		**(4,819)**	*(13,230)*
(Decrease)/increase in cash		**472,629**	*1,171,590*
Bank and cash balance brought forward		**2,353,033**	*1,181,443*
Bank and cash balance carried forward		**2,825,662**	*2,353,033*

The notes on pages 25 to 31 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the 12-month period ended 31st December 2025

1. Accounting policies

These financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed assets investments at market value, and in accordance with the Charities Act 2011, the Companies Act 2006, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and follow the recommendations of the Charity Commission in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the "Charities SORP (FRS 102)". The company is registered in England and Wales, is a public benefit entity and reports in £sterling, its principal currency.

The principal accounting policies adopted are as follows: -

(a) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, if it is certain that the resources will be received, and the monetary value of the incoming resources can be measured with sufficient reliability. Income is deferred where the charity has to meet conditions imposed by the donor before expenditure of resources can take place. Investment income and interest received includes income tax recoverable where applicable.

(b) Resources expended

(i) Expenditure is included in the accounts on an accruals basis.

(ii) Expenditure incurred on activities falling directly within one cost category is attributed to that category. Other expenditure, including salaries, has been reasonably and consistently apportioned to charitable activities and governance costs on a time spent basis.

(iii) Charitable awards authorised by the charity and agreed by the grantee in the financial 12-month period and committed for payment before the end of the next financial 12-month period have been accrued in the accounts.

(c) Tangible fixed assets

The depreciable value of each asset is written off over its expected useful life. This is currently expected to be three year periods for office equipment, while the depreciation charge on office furniture is calculated at 15% on book value. The useful life of each asset, its residual value and the amounts of depreciation charged are reviewed annually.

(d) Investments

Investments, which are listed on the Stock Exchange, are valued at the middle market price at the end of the 12-month period. Realised and unrealised gains and losses are accounted for in the statement of financial activities before arriving at the net movements in funds for the 12-month period.

(e) Taxation

Provision for corporation tax is not necessary as the charitable company is a registered charity. No deferred tax provision is required. The charity is non-trading and is not registered

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 12-month period ended 31st December 2025

for VAT.

(f) Unrestricted Funds
The General reserve represents those funds that the Board may use in the furtherance of the charitable objectives of the charitable company.

(g) Foreign exchange gains and losses
Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the closing rate. Transactions in foreign currencies are converted to sterling at the rate of exchange prevailing on the day of the transaction.

(h) Operating leases
Rent payable under operating leases is charged to the income and expenditure account as incurred.

(i) Pensions
Eligible staff members received monthly payments of 8% of their salaries into a scheme administered by SMART in the UK and 4% in Belgium. One eligible staff member has opted out. Contributions made in the 12-month period are treated as an expense.

2. **Charitable activities**
During the 12-month period the charity received grants and donations as follows

	2025 Total	*2024 Unrestricted*
Grants received in respect of charitable activities	2,691,411	*2,449,836*

Further information in respect of the funding received can be found in the Report of the Trustees.

3. **Investment income**	**2025**	*2024*
	£	*£*
Interest from funds on deposit	**4**	*718*

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 12-month period ended 31st December 2025

4. **Charitable activities –** Programme and project work

	2025 Total £	2024 *Unrestricted* £
Salaries and associated costs (notes 1(b)(ii) and 4)	1,016,477	*1,033,566*
Directors and key management remuneration	405,227	*312,544*
Other personnel costs	65,681	*78,924*
Consultancy costs	641,844	*519,902*
Staff training	2,483	*6,227*
Advertising and marketing	10,864	*27,167*
Sponsorship fees	-	-
Travel and events	77,469	*100,193*
Rent	120,844	*113,861*
Office costs including IT expenditure	64,498	*48,600*
Insurance	1,802	*1,639*
Audit costs	6,660	*7,200*
Accountancy fees	112,739	*125,364*
Legal and professional costs	(12,224)	*24,243*
Finance charges	132,099	*(5,422)*
Interest paid	-	-
Depreciation	8,227	*6,055*
Communications	33,243	*47,257*
Personal Development	3,482	*3,234*
	2,691,415	*2,450,554*

£95,326 of salary expenditure relates to a project which is defined as restricted based on the terms of the funding agreement in place (2024: no such funding).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 12-month period ended 31st December 2025

Charitable activities – Programme and project work (continued)

Governance costs included are as follows:

	2025 Unrestricted £	*2024 Total £*
Director Remuneration	207,464	*119,214*
Senior management time	197,763	*193,330*
Professional Fees		
Meetings and related travel costs	-	*-*
Audit	6,660	*7,200*
Accountancy and payroll related fees	110,611	*125,364*
Legal fees	(12,309)	*24,243*
Total governance costs	510,189	*469,351*

In common with many other charitable companies of our size and nature we use our auditors to assist in the preparation of the financial statements.

5. **Staff costs and particulars of employees**	**2025**	*2024*	**2025**	*2024*
Total remuneration of employees:	**Numbers**	*Numbers*	**£**	*£*
Wages and salaries	**16**	*14*	**1,042,783**	*1,072,743*
Social security costs			**205,426**	*122,341*
Pension contributions			**54,932**	*32,463*
	16	*14*	**1,303,141**	*1,227,547*

3 employees (2024-5) earned above £60,000 per annum.

No trustee had any remuneration during the current or preceding 12-month period. No trustee (2024 - none) was reimbursed for travel expenses (2024 - £nil). There are no other related party transactions.

The salaries figure above includes £286,664 (2024 - £312,544) which relates to key management costs. Further information relating to additional key management costs is contained in note 6.

The charitable company makes payments into approved pension funds. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension costs charge represents contributions payable by the charitable company to the funds and amounted to £54,932 (2024- £32,463). No contributions were outstanding or repayable (2024 nil outstanding or repayable) to the funds at the period end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 12 month period ended 31st December 2025

6. Directors and key management remuneration

	2025	2024
	£	£
Directors' remuneration	**207,464**	*119,214*
Key management compensation*	**197,763**	*193,330*
Key management pension contributions	**-**	-
	405,227	*312,544*

*includes £118,563 recorded as consultancy costs in 2025.

7. Tangible fixed assets

	Equipment	Total
	£	£
Cost		
Balance at 1st January 2025	30,343	**30,343**
Additions	4,819	**4,819**
Disposals		
Balance at 31st December 2025	35,162	**35,162**
Accumulated depreciation		
Balance at 1st January 2025	7,795	**7,795**
Charge for the 12-month period	8,227	**8,227**
Balance at 31st December 2025	16,022	**16,022**
Net book value at 31st December 2025	19,140	**19,140**
Net book value at 31st December 2024	*22,548*	*22,548*

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 12-month period ended 31st December 2025

8. **Debtors**

	2025	2024
	£	£
Sundry debtors	-	-
Income tax due	-	-
Deferred income	-	-
Prepayments	**54,156**	*20,368*
Other debtors	**40,390**	*19,939*
	94,546	*40,307*

9. **Creditors**: amounts falling due in one year

	2025	2024
	£	£
Trade creditors	**88,657**	*14,204*
Short term compensated absences	**43,836**	*62,440*
Other creditors and accruals	**95,883**	*307,916*
Deferred income	**2,703,799**	*2,024,982*
Taxation and social security costs	**7,173**	*6,344*
	2,939,348	*2,415,888*

£230,623 of deferred income relates to 1 contract the terms of which are defined as restricted (2024: £nil).

10. **Related party transactions**

As noted in the Trustees' Report, Barbara la Fleming was a senior management employee at Quadrature Climate Foundation, a major funder until April 2025. She had no involvement in any funding decisions made by them. Tim Kruger performed consultancy services amounting to £41,199 in 2024, a fee commensurate with the work done. There was no such work in the current year. During the year the company purchased services from a company connected by common control Carbon Gap ASBL. The value of services provided was £40,455 with a balance of £2,013 owed by the company to carbon Gap ASBL at the year end. There are no other related party transactions to disclose.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 12-month period ended 31st December 2025

11. **Total Charity Funds**	**Balance at 1 Jan 2025**	**Incoming Resources**	**Resources Expended**	**Balance at 31st Dec 2025**
Unrestricted funds	**£**	**£**	**£**	**£**
General reserve	-	2,596,089	2,596,089	-
Restricted reserve	-	95,326	95,326	-
Total charity funds	-	2,691,415	2,691,415	-