

**ICVCM LIMITED  
DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD 2 NOVEMBER 2021 TO 31 MARCH 2023**

Green Accountancy Limited  
Chartered Certified Accountants  
Windrush House  
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Witney  
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OX29 7DX

**ICVCM Limited**  
**Directors' Report and Financial Statements**  
**For the Period 2 November 2021 to 31 March 2023**

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<b>Contents</b>	<b>Page</b>
<a href="#">Company Information</a>	1
<a href="#">Strategic Report</a>	2—6
<a href="#">Directors' Report</a>	7
<a href="#">Independent Auditor's Report</a>	8—9
<a href="#">Income and Expenditure Account</a>	10
<a href="#">Balance Sheet</a>	11
<a href="#">Notes to the Financial Statements</a>	12—14
<a href="#">Appendix 1 – Carbon Account</a>	15

**ICVCM Limited**  
**Company Information**  
**For the Period 2 November 2021 to 31 March 2023**

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<b>Directors</b>	Ms Annette Nazareth	Appointed 14/03/2022
	Ms Doris Honold	Appointed 22/06/2022
	Mr William McDonnell	Appointed 02/11/2021
	Mr Daniel Godsall	Appointed 02/11/2021 Resigned 14/03/2022
<b>Company Number</b>	13718770	
<b>Registered Office</b>	International House 24 Holborn Viaduct London EC1A 2BN	
<b>Accountants</b>	Green Accountancy Limited Chartered Certified Accountants Windrush House Windrush Park Road Witney Oxfordshire OX29 7DX	
<b>Auditors</b>	MHA Building 4, Foundation Park Roxborough Way Maidenhead Berkshire SL6 3UD	
<b>Bankers</b>	Lloyds Bank PLC 25 Gresham Street London EC2V 7HN	

## Message from the Chair

It is with great pleasure that I present to you the annual report of ICVCM Ltd, covering our first financial period from 2 November 2021 to 31 March 2023. As the operational delivery agent of the Integrity Council for the Voluntary Carbon Market (ICVM or Integrity Council), as set out in our Articles of Association, we have made remarkable progress and achieved significant milestones during this period.

One of our proudest accomplishments was the release of the Core Carbon Principles, along with the Program-level Assessment Framework, Assessment Procedure and supporting documents. These documents were published after an extensive consultation process that emphasised social inclusion, active participation, and inclusive decision-making, particularly with Indigenous Peoples and Local Communities (IPs & LCs). This milestone, represents significant progress towards our objective of establishing a voluntary carbon market characterised by ever higher integrity, greater transparency and robust accounting - which are vital for improving the quality of carbon credits, accelerating financial support for emission reductions and removals, and ultimately transitioning towards a climate-resilient global economy..

In this report, we aim to provide a comprehensive overview of our strategic objectives, as well as a summary of our activities and accomplishments to date.

Our strategic aims have guided our every decision, ensuring that we stay focused on our mission to foster trust, credibility, and accountability in the voluntary carbon market. By upholding the principles of transparency, inclusivity, and environmental integrity, we are working towards creating a market that facilitates real and impactful climate action.

Over the past year, we have actively engaged with stakeholders from various sectors, including market participants, eNGOs, IPs & LCs, governments and the public. This collaboration has been instrumental in shaping our initiatives and ensuring that our standards align with the needs and expectations of all stakeholders.

As we reflect on our achievements, it is important to recognise the dedication and hard work of the Expert Panel, Secretariat, Distinguished Advisory Group and members of the Governing Board which brought together the views and experience of multiple international stakeholders from different sectors, as well as the unwavering support of our funders, industry stakeholders and partners. Without their commitment, none of our accomplishments would have been possible.

Looking ahead, we remain steadfast in our commitment to driving positive change in the voluntary carbon market. We will continue to refine and enhance our assessment processes, work towards growing the voluntary carbon market, and actively contribute to global discussions on carbon market standards.

I would like to express my gratitude to all those who have supported and contributed to our progress achievements. Together, we are laying the foundation for a more transparent, credible, and effective voluntary carbon market.

## Strategic Aims & Mandate

The urgency of the climate crisis necessitates action on a scale and speed that cannot be solely achieved by governments and philanthropy. Mobilising private capital is crucial, and the voluntary carbon market serves as an essential, complementary, and cost-effective tool in achieving this goal. However, without a guarantee of high integrity, transparency, and inclusion, there is a risk that billions of tonnes of carbon credits could be traded without truly serving their intended purpose and, in some cases, even impeding the transition while also not creating benefits to local communities and Indigenous Peoples.

As the independent governance body for the voluntary carbon market, the Integrity Council has a clear aim: to establish and enforce a definitive global threshold based on the best available science and expertise. By doing so, we ensure that high-quality carbon credits effectively mobilise finance towards urgent mitigation efforts and climate-resilient development.

Our mandate encompasses three key responsibilities:

1. **Establishing, hosting, and curating a set of Core Carbon Principles (CCPs):** The CCPs serve as the benchmark standard, defining the criteria for high-quality and integrity carbon credits. They determine the eligible programs and methodology types that can issue these credits. Through our rigorous approach, we aim to ensure transparency and credibility in the voluntary carbon market.
2. **Providing governance and oversight:** We exercise governance and oversight over standard-setting organisations, ensuring their adherence to the CCPs. Additionally, we monitor and regulate the market infrastructure and participant eligibility to maintain the highest level of integrity and accountability.
3. **Coordinating and managing interlinkages:** We facilitate coordination and collaboration between various entities involved in the voluntary carbon market. By fostering effective communication and cooperation, we strive to define a roadmap for the responsible growth of the market, taking into account environmental, social, and economic considerations.

In fulfilling our mandate, we are committed to driving positive change and promoting best practices within the voluntary carbon market. Our collective efforts will shape a market that is robust, transparent, and capable of delivering meaningful environmental impact with inclusive socio and economic benefits.

Together, we can navigate the challenges ahead and pave the way for a sustainable and resilient future.

## Establishment of governance and operations

Since our formal incorporation in November 2021, we have dedicated ourselves to establishing the Integrity Council as a standalone organisation with a robust governance framework. We are proud to highlight the considerable progress made in this area.

Central to our governance structure is the highly engaged and diverse **Governing Board (the Board)**. The Board operates through three committees under published Terms of Reference and is composed of 22 members representing key stakeholder groups and a wide range of subject matter knowledge and experience as well as an observer from the United Nations Framework Convention on Climate Change (UNFCCC).

### **Message from the Chair - continued**

The Board's wide range of skills and experience includes members with expertise in carbon market technologies, sustainable finance, process, FPIC and IP&LC knowledge and rights, and regulatory affairs as well as experience with leading eNGOs, corporates and scientific and academic organisations.

Three seats on our Governing Board are reserved for traditionally underrepresented stakeholder communities. We are particularly pleased that three exceptional individuals, Jennifer Corpuz, Kanyinke Sena, and Francisco Souza joined the Board in 2022. These members offer us invaluable knowledge and experience on Indigenous Peoples and Local Communities globally.

To ensure our standards and assessment framework development aligns with the best expertise available, we have established a panel of world-leading experts. The ICVCM's **Expert Panel**, led by co-chairs Daniel Ortega Pacheco, Pedro Barata and Lambert Schneider, provides vital technical advice and recommendations to our Governing Board, contributing to the integrity and robustness of our work.

In addition to the Governing Board and Expert Panel, we have convened a **Distinguished Advisory Group** of 30 globally recognised leaders from across the voluntary carbon market value chain. This esteemed group offers strategic insights and advice to our Governing Board, guiding our decisions and actions with their wealth of experience and expertise.

Completing our governance structure is the **Executive Secretariat**, which has been established to support the Governing Board and Expert Panel and oversee all operational tasks on behalf of the Integrity Council.

Comprising a small but growing team of dedicated staff, the Executive Secretariat also benefits from the partnership and expertise of leading climate, finance, and standards NGOs: the British Standards Institution (BSI), the International Emissions Trading Association (IETA), and the Center for Climate and Energy Solutions (C2ES).

The Green Finance Institute (GFI) played a pivotal role in the startup phase of the ICVCM supporting the Executive Secretariat as the launch host and operational delivery lead. They continue to provide operational and strategic advice and support.

The collaborative efforts of our dedicated team, alongside the invaluable contributions of our partners, enable us to effectively fulfil our mandate and drive positive change within the voluntary carbon market.

We extend our thanks to all those involved in establishing and supporting our governance and operations, as together, we strive to create a more transparent, credible, and effective voluntary carbon market.

### **Going forward**

Over the next year we will be focused on publishing our completed Assessment Framework, delivering assessments and CCP-labelled credits with input from multi-stakeholder working groups, and launching a range of continuous improvement work programs to tackle critical issues in the market and innovate with stakeholders.

### **Approval**

This Strategic Report was approved by order of the Board of Directors of ICVCM Ltd on 18 July 2023 and signed on its behalf by



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**Annette Nazareth**  
**Chair, Governing Board**  
**The Integrity Council for the Voluntary Carbon Market**

## **Annual Review**

### **Development and release of CCPs, Assessment Framework & Assessment Procedure**

In March 2023 we launched our CCPs and Program-level Assessment Framework, alongside our Assessment Procedure, which explains our process for implementing the CCP (Core Carbon Principles) label in the market. We will complete the Assessment Framework with the publication in July 2023 of the Category-level Assessment Framework which will set out the criteria for assessing distinct categories of carbon credits.

The Core Carbon Principles (CCPs) are a global benchmark for high-integrity carbon credits that set rigorous thresholds on disclosure and sustainable development. Developed with input from hundreds of organisations throughout the voluntary carbon market, including local communities and Indigenous peoples, the CCPs provide a credible and rigorous means of identifying high-integrity carbon credits that create real, verifiable climate impact, based on the latest science and best practice.

We expect that the impact of the CCPs will be three-fold:

**1. Building trust in the voluntary carbon market.**

Buyers will have more confidence in easily identifying and pricing high-integrity carbon credits, no matter who issues them or what sort of project they fund, or where it is generated. This will reduce confusion, overcome market fragmentation, and give buyers confidence that they are funding projects making a genuine impact on emissions.

Together with transparency, robust accounting, and promotion of inclusive benefits, this will also help to channel capital towards the most impactful, low-cost climate mitigation activities globally at pace, which is particularly critical for developing economies.

**2. Investing in impactful projects**

A high-integrity voluntary carbon market can further accelerate the uptake of emerging technologies, protect, and promote nature and biodiversity, and put vital funding into the hands of the indigenous peoples and local communities who are critical stewards of many of our core carbon sinks.

**3. An ambitious – but achievable – benchmark**

With the Core Carbon Principles derived from an exhaustive global multisectoral consultation process, an ambitious but achievable threshold for high-integrity carbon credits has been set. And this is just the beginning – the Integrity Council has also established a pathway for continuous improvement, working with our stakeholders across the market to continually improve and strengthen the CCPs over time. Driven by a continuous reviewing cycle for improvement, the CCPs aim to contribute for setting a robust high quality, trusted, transparent, and measurable framework that could continuously bring improvement in the market to scale and speed finance with real impact on emission and benefits.

### **Stakeholder engagement & public consultation**

We strongly believe that an inclusive and collaborative approach is essential to developing robust and effective standards for the voluntary carbon market.

To support the work of building a voluntary carbon market that is characterised by transparency and high integrity and capable of delivering meaningful climate impact, the ICVCM regularly and on a continuous basis engages and consults with a wide range of stakeholders. As ancestral guardians of important carbon assets, the engagement, consultation, and dialogues with IPs & LCs have been facilitated by our Indigenous board members and partners, which will be improved and expanded over the coming years.

The development of the Core Carbon Principles (CCPs), Assessment Procedure and Assessment Framework released in March 2023 provides a clear example of the ICVCM's collaborative and consultative engagement with participants across the VCM (Voluntary Carbon Market) which began with stakeholder discussions on the draft CCPs in Q2 2022.

These discussions informed a comprehensive public consultation later in 2022, which solicited feedback from numerous organisations and individuals representing various stakeholder groups.

To further enhance stakeholder engagement and ensure a diverse representation, we organised briefings and workshops. These sessions were conducted globally, reaching more than 1,300 participants across 60 countries, and conducted in four languages. Through these interactive sessions, we fostered dialogue and knowledge exchange, encouraging stakeholders to share their expertise, concerns, and suggestions. The insights gained from these engagements enriched our understanding of the voluntary carbon market landscape and informed the development of the CCPs, Assessment Procedure and Assessment Frameworks.

This inclusive consultation process allowed us to gather valuable insights and perspectives from carbon-crediting programs, project developers, academics, eNGOs, IPs & LCs, policy makers, buyers, and investors. The contributions and feedback received from stakeholders were critical in shaping the CCPs.

By actively engaging stakeholders and incorporating their perspectives, we have striven to create standards that are comprehensive, credible, and widely accepted. We believe that the involvement of diverse stakeholders ensures that the CCPs and Assessment Framework reflect the needs and aspirations of the broader community, driving increased trust and effectiveness in the voluntary carbon market.

### **The Integrity Council and IPs & LCs**

Our ability to achieve a transition to 1.5°C on a global level depends on ensuring IPs & LCs can continue managing vital ecosystem services at the local level. A high-integrity voluntary carbon market (VCM) is an important, complementary tool to put vital funding into the hands of IPs & LCs. At the same time, integrity, transparency, and social inclusion can safeguard the ancestral knowledge, livelihoods, and rights of IPs & LCs to recognise their importance to nature-based solutions part of the VCM. But to deliver, it is critical that they have agency to continue managing vital ecosystem services at the local level and are benefited and included in climate and nature-based solutions affecting them.

This is why at the Integrity Council we are working with representatives of IPs & LCs to develop standards, processes, and engagement models for a high-integrity VCM that protects and promotes their rights and livelihoods and accelerates the supply of high-quality carbon credits, including those from activities led by IPs & LCs.

## **Annual Review - continued**

The Integrity Council is deeply committed to working in partnership with IPs & LCs to ensure the VCM protects and promotes their rights and livelihoods and accelerates the benefits from high-quality carbon credits to activities led by IPs & LCs and IPs' & LCs' sustainable development.

To ensure ICVCM's inclusive decision-making frameworks and outputs embed IPs' & LCs' voices and knowledge as strategic partners; and help accelerate the supply of high-integrity carbon credits from or linked to IPs & LCs-led projects, the Integrity Council works to engage and consult IPs & LCs voices both externally as well as within the organisation and the key decision-making bodies of its governance framework. This ensures effective consideration of IPs & LCs vision and perspective into ICVCM, the CCPs, Assessment Procedure, and Assessment Frameworks.

We remain committed to ongoing stakeholder engagement, recognising its significance in continuously improving and refining the CCPs, Assessment Procedure and Assessment Frameworks over time.

## **Market formation & collaboration**

During the period covered by this report, a significant aspect of our work has focused on fostering collaboration, coordinating efforts, and supporting the formation of a cohesive carbon market. We have actively engaged with many bodies operating within the carbon market space, aiming to facilitate inter-linkages and promote responsible market growth.

Some of our key collaborations and initiatives to help shape and grow a high integrity and impactful voluntary carbon market include:

- **Voluntary Carbon Markets Integrity Initiative (VCMI):** We continue to partner with VCMI on initiatives to operationalise a high integrity carbon market that will help companies to do their part to help achieve net zero emissions. This includes the development and launch of an integrated market integrity framework, a common approach to Corresponding Adjustments, a shared Country Access Strategy, an IPs & LCs Engagement Forum as well as an aligned approach for the Summit for a New Global Financial Pact in France in June 2023 and COP28 in UAE (United Arab Emirates) in November 2023.
- **Building a Unified Narrative:** We are actively involved in shaping a wider unified narrative in collaboration with participants and stakeholders engaged in the voluntary carbon market, including the VCMI, the Science Based Targets Initiative (SBTi), the We Mean Business Coalition. This collaborative effort will promote transparency by aligning messaging and actions to drive collective impact and facilitate a coordinated approach towards the development of a high integrity voluntary carbon market.
- **Regulatory Dialogue and Engagement:** We have initiated dialogues with regulatory bodies such as the International Organization of Securities Commissions (IOSCO), the ISSB (International Sustainability Standards Board), the US Securities and Exchange Commission (SEC), and the Commodity Futures Trading Commission (CFTC).
- **Global and regional Carbon Market Initiatives:** We have engaged with a wide range of regional carbon market initiatives to foster collaboration and exchange best practices to support the transition to a low carbon economy.

These include:

- partnerships with regional initiatives such as the Africa Carbon Markets Initiative, the West Africa Alliance on Carbon Markets and Climate Finance and country-level initiatives in Brazil, Saudi Arabia, Singapore, China, and Japan; and
- engagements and dialogue with the Global Carbon Market Utility and the Carbon Storage Governing Council (GCMU), the Energy Transition Accelerator (ETA); governments of Indonesia, Peru, Colombia, and the UK; and representatives of the World Bank, MDBs, and a range of UN agencies, including UNDP (United Nations Development Program), UNEP (United Nations Environment Programme), UNREDD (United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation), UNFCCC (United Nations Framework Convention on Climate Change) and UNCITRAL (United Nations Commission On International Trade Law).

By collaborating at country and regional levels, we aim to facilitate the development of effective voluntary carbon markets tailored to local contexts that will accelerate climate action on a global scale.

Through these collaborative efforts and engagements, we are actively working towards a more integrated, efficient, and transparent voluntary carbon market. By building strong partnerships and promoting cooperation among participants and stakeholders, we can help drive the growth of a high integrity carbon market that will advance climate mitigation efforts worldwide.

## **Communications and brand**

We have successfully established a strong brand presence and credibility in the voluntary carbon market. Our commitment to integrity resonates well with stakeholders and has contributed greatly to our efforts to shape a more positive narrative for the voluntary carbon market.

Media reception for the launch of the CCPs was positive and extensive and recognised the significance of the ICVCM's contributions to the creation of a voluntary carbon market characterised by high integrity and transparency.

To raise awareness and promote dialogue, members of our Board, Distinguished Advisors Group, Expert Panel and Executive Secretariat actively contribute their time, insights, and expertise to our traditional and social media activities as industry experts and commentators by serving as keynote speakers, moderators and panellists at our own and industry conferences, seminars, and webinars.

These collaborations allow us to reach key audiences within the VCM as well as in government, business, and finance and to contribute the ICVCM's perspectives in meaningful discussions that will advance and shape the growth of the voluntary carbon market. Our communication activities are critical to the ICVCM's ongoing recognition as a trusted leader in promoting integrity and sustainability in the voluntary carbon market.

## **Carbon emissions and environment impact**

We acknowledge that in going about our work, we do have an unavoidable impact on the environment. We have a set of policies designed to, wherever possible, minimise that impact, most especially via embedding video conferencing technologies in our day-to-day work, and where travel is required, ensuring the most sustainable modes feasible.

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### **Annual Review - continued**

We have tracked our cumulative carbon emissions throughout the financial year and have estimated that our total CO2 footprint is 46,832kg CO2e. In line with our policy, we will compensate for this impact through the purchase of high-integrity CCP-approved carbon credits during the first year in which those credits are available and within six months thereafter.

### **Fundraising and support**

We are immensely grateful for the generous support of our funders, without whom our activities and achievements would not have been possible.

The following organisations have shared invaluable support and expertise in addition to providing ongoing financial support to ICVCM Ltd:

- High Tide Foundation
- Google.org
- Children's Investment Fund Foundation (CIFF)
- Sequoia Climate Foundation
- Bezos Earth Fund
- Grantham Foundation for the Protection of the Environment
- HM Treasury

We would also like to thank the following organisations which have provided further support to the Integrity Council in the form of ongoing participation of staff members on our Governing Board and Expert Panel:

- Environmental Defence Fund
- United Nations Environment Programme
- The Nature Conservancy
- Conservation International
- SouthSouthNorth
- World Business Council for Sustainable Development
- World Resources Institute
- Institute of International Finance
- Nia Tero
- Verra
- Standard Chartered
- BP

We also would like to highlight the contributions of Slaughter & May for their pro bono advice on legal matters and TNC and UNEP which enabled our engagement with Indigenous Peoples and Local Communities. We would also like to thank PwC and Deloitte which provided secondees and insights, and the City of London Corporation for their contribution towards office space.

We are immensely grateful for the confidence and trust placed in us by these organisations. Their assistance has enabled considerable progress in the growth and development of a voluntary carbon market characterised by high integrity and transparency.

I would also highlight that many, if not all, of those we thank worked remotely and in the challenging circumstances caused by the Covid-19 pandemic and related health restrictions. On behalf of the ICVCM, please accept our gratitude for the enormous efforts you made under exceptionally challenging circumstances.

### **Going forward**

The ICVCM team grew significantly over the course of this reporting period as we added resources to enable our ability to consult with and engage stakeholders and to deliver the CCPs, Assessment Procedure and Program-level Assessment Framework.

Over the coming year, we will continue to recruit the skills and talent required to publish our completed Assessment Framework, delivering assessments and CCP-labelled credits with inputs from multi-stakeholder working groups, and launching a range of continuous improvement work programs to tackle critical issues in the market and innovate with stakeholders.



**William McDonnell ACA**  
**Chief Operating Officer, The Integrity Council for the Voluntary Carbon Market**  
**Director, ICVCM Ltd**



**ICVCM Limited**  
**Directors' Report**  
**For the Period 2 November 2021 to 31 March 2023**

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

**Directors**

The directors who held office during the period were as follows:

Ms Annette Nazareth Appointed 14/03/2022  
Ms Doris Honold Appointed 22/06/2022  
Mr William McDonnell Appointed 02/11/2021  
Mr Daniel Godsall Appointed 02/11/2021 Resigned 14/03/2022

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing the financial statements the directors are required to:

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

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

**Statement of Disclosure of Information to Auditors**

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

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

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

**Small Company Rules**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**William McDonnell ACA**  
**Chief Operating Officer, The Integrity Council for the Voluntary Carbon Market**  
**Director, ICVCM Ltd**

Date: 18 July 2023

**Independent Auditor's Report  
to the Members of  
ICVCM Limited**

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## **Opinion**

We have audited the financial statements of ICVCM Limited for the period ended 31 March 2023 which comprise the Income and Expenditure Account, Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 - Section 1A for Small Entities "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 company's affairs as at 31 March 2023 and of its Surplus/(deficit) for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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 the provisions available for small entities, in the circumstances set out in note 8 to the financial statements, 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Opinions on Other Matters Prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

## **Matters on Which We Are Required to Report by Exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or 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.

**Independent Auditor's Report (continued)  
to the Members of  
ICVCM Limited**

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### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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.

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:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### **Use Of Our Report**

This report is made solely to the company's 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 that 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.



Bianca Silva BA ACA DChA (Senior  
Statutory Auditor)  
for and on behalf of MHA, Statutory  
Auditor

Date 26 July 2023

MHA is the trading name of MacIntyre  
Hudson LLP, a limited liability partnership  
in England and Wales  
(registered number OC312313).

**ICVCM Limited**  
**Income and Expenditure Account**  
**For the Period 2 November 2021 to 31 March 2023**

	<b>Notes</b>	<b>31 March 2023</b>
		<b>£</b>
<b>TURNOVER</b>		
	Grant income	<b>5,297,294</b>
<b>GROSS SURPLUS</b>		<b>5,297,294</b>
Administrative expenses		(7,478,511 )
Other operating income	Donated services income	2,133,102
<b>OPERATING DEFICIT</b>		<b>(48,115 )</b>
Interest payable and similar charges		48,115
<b>SURPLUS FOR THE FINANCIAL PERIOD</b>		<b>-</b>

The notes on pages 12 to 14 form part of these financial statements.

**ICVCM Limited**  
**Balance Sheet**  
**As at 31 March 2023**  
**Registered number: 13718770**

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	Notes	31 March 2023	
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	3		11,434
			<u>11,434</u>
<b>CURRENT ASSETS</b>			
Debtors	4	16,694	
Cash at bank and in hand		2,204,285	
		<u>2,220,979</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	5	<u>(2,232,413 )</u>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<u>(11,434 )</u>
<b>NET ASSETS</b>			<u><u>-</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**William McDonnell ACA**  
**Chief Operating Officer, The Integrity Council for the Voluntary Carbon Market**  
**Director, ICVCM Ltd**  
Date: 18 July 2023

The notes on pages 12 to 14 form part of these financial statements.

## 1. Accounting Policies

### 1.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 section 1A Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 1.2. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	25% Straight line basis
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### 1.3. Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

### 1.4. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating surplus.

### 1.5. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from surplus as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in surplus or deficit, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

### 1.6. Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**ICVCM Limited**  
**Notes to the Financial Statements (continued)**  
**For the Period 2 November 2021 to 31 March 2023**

**1.7. Grant Income**

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to revenue shall be recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the income and expenditure account. Grants towards general activities of the entity over a specific period are recognised in the income and expenditure account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the income and expenditure account over the useful life of the asset concerned.

All grants in the income and expenditure account are recognised when all conditions for receipt have been complied with.

**1.8. Assets and liabilities**

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity.

**1.9. Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2. Average Number of Employees**

Average number of employees, including directors, during the year was as follows: 5

**3. Tangible Assets**

	<b>Computer Equipment £</b>
<b>Cost</b>	
As at 2 November 2021	-
Additions	15,246
As at 31 March 2023	15,246
<b>Depreciation</b>	
As at 2 November 2021	-
Provided during the period	3,812
As at 31 March 2023	3,812
<b>Net Book Value</b>	
As at 31 March 2023	11,434
As at 2 November 2021	-
<b>4. Debtors</b>	<b>31 March 2023 £</b>
<b>Due within one year</b>	
Prepayments	16,694
	<b>16,694</b>

**ICVCM Limited**  
**Notes to the Financial Statements (continued)**  
**For the Period 2 November 2021 to 31 March 2023**

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**5. Creditors: Amounts Falling Due Within One Year**

	<b>31 March 2023</b>
	<b>£</b>
Trade creditors	186,464
Pension contributions unpaid	6,039
Accruals	630,240
Grants deferred to match expenditure	1,409,670
	<hr/>
	<b>2,232,413</b>
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**6. Pension Commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £33,021.

Contributions totalling £6,039 were payable to the fund at the balance sheet date and are included in creditors.

**7. Company limited by guarantee**

The company is limited by guarantee and has no share capital.

Every member of the company undertakes to contribute to the assets of the company, in the event of a winding up, such an amount as may be required not exceeding £1.

**8. FRC's Ethical Standard - Provision Available for Small Entities**

The auditors do not prepare and submit returns to the tax authorities or assist with the preparation of the financial statements.

**9. General Information**

ICVCM Limited is a private company, limited by guarantee, incorporated in England & Wales, registered number 13718770 . The registered office is International House, 24 Holborn Viaduct, London, EC1A 2BN.

The principal activity of the company is to act as an independent governance body for the voluntary carbon market.

**10. Post Balance Sheet event**

Private limited company ICVCM Services Limited (company number 14959121) was incorporated in England and Wales on 24 June 2023, under the control of ICVCM Limited, by virtue of 100% shareholding and common directors.



ICVCM Limited  
Appendix 1 – Carbon Account  
For the Period 2 November 2021 to 31 March 2023

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CO2e kg

**Scope 1 emissions:**

Gas 0

**Scope 2 emissions:**

Electricity 0

**Scope 3 emissions:**

Travel: Non-flights 809

Travel: Flights 20,925

Home Working 23,936

Hotel Accommodation 401

Website 762

**Total emissions (CO2e kg)**

**46,832**

income (£)

7,430,396

**tCO2e per £1M income**

**6.30**

Full time equivalent persons

33.8

**tCO2e per FTE worker**

**1.39**