ELLEN MACARTHUR FOUNDATION

England & Wales · Charity number 1130306

Details

Other names	EMF
Status	Registered
Legal form	Charitable company
Company number	06897785
Registered	2009-06-23
Register	View on the Charity Commission register

Contact

Address	The Sail Loft 42 Medina Road Cowes PO31 7BX
Phone	01983296463
Email	info@ellenmacarthurfoundation.org
Website	www.ellenmacarthurfoundation.org

Activities

Objects: TO PROMOTE FOR THE BENEFIT OF THE PUBLIC OF THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT AND THE PRUDENT USE OF NATURAL RESOURCES; ANDTO ADVANCE THE EDUCATION OF THE PUBLIC IN THE CONSERVATION, PROTECTION AND IMPROVEMENTOF THE PHYSICAL AND NATURAL ENVIRONMENT AND TO PROMOTE STUDY AND RESEARCH IN SUCHSUBJECTS FOR THE PUBLIC BENEFIT AND DISSEMINATE THE USEFUL RESULTS.

Activities: To provide a vision and framework for the transition towards a restorative economy - the circular economy. To focus our activities in three areas.Education - Inspiring a generation to re-think, re-design and build a positive future;Business - Catalysing business innovation for a circular economy;.Insight - Creating a tipping point for a circular economy through thought leadership.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Scotland
- Isle Of Wight

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£14,641,641	£19,572,000	£16,884,000	190
2023-08-31	£20,787,086	£21,361,643	£21,815,084	187
2022-08-31	£17,394,000	£16,070,000	£19,041,000	174
2021-08-31	£18,144,000	£14,595,000	£21,233,000	172
2020-08-31	£12,510,000	£11,574,000	£17,769,000	129

Trustees

Name	Role	Appointed
DAME ELLEN MACARTHUR		
Hema Patel		2023-09-08
Hong-Thuy Paterson		2026-03-17
James Butterworth		2026-04-09
Michael Lebovitz		2019-03-08
PETER MORGAN		
PHILIP SELLWOOD		
Robert Metzke		2026-04-28

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ELLEN MACARTHUR FOUNDATION

England & Wales - Charity number 1130306

Accounts

ELLEN MACARTHUR FOUNDATION



Annual Report and Accounts

September 2023 to August 2024

Companies House: 06897785

Charity Commission
Registration Number: 1130306



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Breaking new ground

A message from our Founder and Chair of Trustees, Dame Ellen MacArthur

There are clear signs that the circular economy is moving from idea to action across the global economy. Today, 75% of businesses recognise circularity as important,[1] up from 40% from just three years ago.[2] More than 27% of Nationally Determined Contributions (NDCs) — country-specific climate action plans that outline commitments to reduce emissions and adapt to climate impacts — refer to the circular economy as a climate mitigation strategy, and cumulative capital invested in circular initiatives has grown by over 70% during the last three years.[3] These shifts reflect not just growing awareness of the potential, but a real commitment to change.



Jonquil Hackenberg (L), CEO, and Dame Ellen MacArthur (R), Founder and Chair of Trustees

Credit: Somerset House

This year we made an essential shift from exploring and promoting the circular economy to implementing at scale. By working together with our partners and collaborators on this approach, we believe we can lead the transition further and faster than ever before.

We have broken substantial new ground, unlocking innovation, building momentum, and reaching scale. We co-led a Business Coalition with the World Wildlife Fund (WWF), working at the intersection of policy and business, to advocate for a high-ambition global plastics treaty. We harnessed the power of circular design with a breakthrough initiative that demonstrated how we can design food with nature in mind. In fashion, we launched a world-first accelerator that unites leading clothing brands in a mission to scale circular business models that tangibly decouple revenue from new production. Our focus on measurement and reporting has helped shape 39 key sustainability reporting frameworks to embrace circular economy principles. Meanwhile, new thought leadership has strengthened the case for a circular built environment, showcasing six circular strategies for the built environment sector and highlighting that a circular approach in this and other sectors is vital to meeting climate and biodiversity goals and unlocking prosperity. Across our Network, we've expanded our reach, building key philanthropic and business partnerships, notably in China, Latin America, and North America.

These efforts are delivering real impact — reducing emissions, preventing waste, and keeping virgin materials in the ground — whilst generating wider momentum. Through our films, reports, and creative storytelling, we've shared these breakthroughs widely, deepening understanding of the circular economy and its economic, environmental, and social benefits, and inspiring others to be bolder.

This scale of impact is a reflection on the whole team — trustees, colleagues, advisors, supporters, and friends — who bring expertise, insight, and unrivalled passion and energy to this work. **Thank you all**.

New to our team is Jonquil Hackenberg replacing Andrew Morlet as CEO. I want to use this opportunity to thank Andrew, who has made an extraordinary contribution to advancing the circular economy. It has been an absolute privilege to work alongside him over the past decade. His leadership in this space has been nothing short of inspiring and his vision and dedication have set us on an incredible path. We're deeply grateful for everything he's done and for the legacy he leaves behind. As we step into this next chapter, we do so with immense pride and excitement for what's ahead.

Jonquil brings with her a new level of energy, and a wealth of experience in leadership, business transformation, sustainability, and the circular economy. With her impressive track record, she is well-placed to shape and lead the next phase of our work. Welcome Jonquil.

We have much to do. Global challenges are pressing, and the landscape in which we work is constantly evolving. But through it all, the circular economy remains constant, a powerful, practical solution — one that businesses and governments around the world are increasingly embracing. Let's keep pushing until circular becomes the norm.



Dame Ellen MacArthur — Founder and Chair of Trustees

Change, by design: our mission and strategic approach

OUR MISSION

To accelerate and scale the circular economy — making it the norm.

WHAT WE DO

We are a leading global organisation committed to transforming the economy so that it works for people and the environment. A circular economy offers solutions to some of the world's biggest challenges — climate change, biodiversity loss, waste, and pollution — by decoupling economic activity from the consumption of finite resources, keeping materials in circulation, and eliminating waste and pollution by design. A circular economy is distributed, diverse, and inclusive — a system that can create lasting balance between people, prosperity, and the planet, while supporting a just transition and building resilience, jobs, and long-term prosperity within planetary boundaries.

The circular economy can:

- **Create jobs and economic opportunities** across industries, from repair and remanufacturing to regenerative agriculture
- **Build resilience** in supply chains and local economies, reducing reliance on scarce resources
- **Advance the UN's Sustainable Development Goals** by aligning economic activity with environmental and social progress
- **Decouple economic growth from resource use**, enabling prosperity without degrading the planet
- **Contribute to a just transition**, ensuring economic shifts are fair and inclusive
- **Improve health and well-being** by reducing pollution, waste, and harmful environmental impacts.

The opportunity is profound. The circular economy is essential to meeting global climate goals, unlocking economic potential, and building a more resilient future.

HOW WE WORK

Our focus is on key areas where circular economy solutions can have substantial impact across the full value chain, from the sourcing of materials, to the production of goods, and recirculation of waste. Our programmes currently focus on plastics, fashion, and food, sectors where circular economy principles can deliver significant economic, environmental, and societal benefits.

To achieve the change needed, our work is guided by three strategic objectives:

1 **Change business practices**: Raise business ambition, advance circular economy capability, demonstrate circular practices, and track progress.

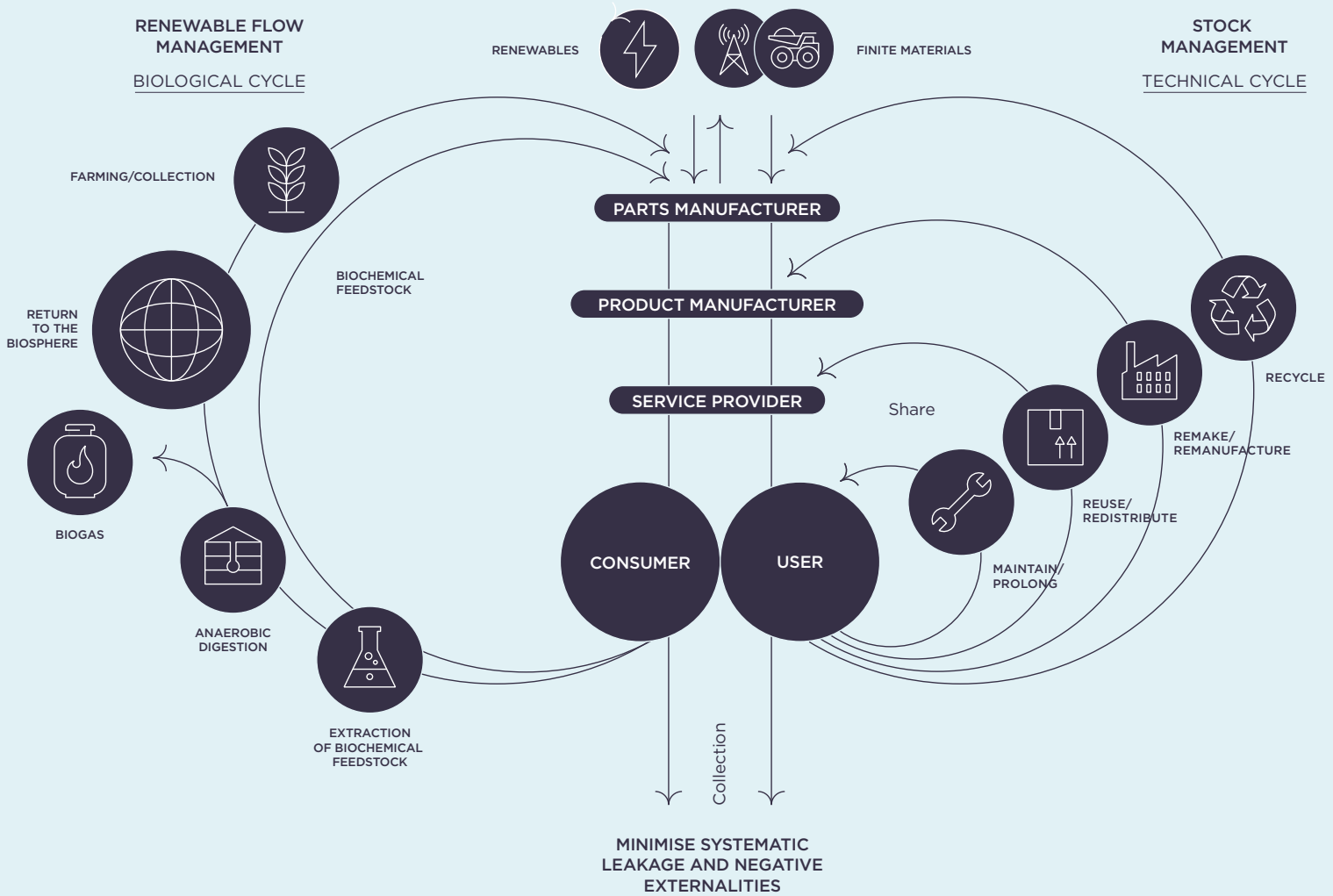
2 **Create enabling conditions:** Influence policy to address barriers to scale, make the economics work, mobilise finance, and influence key metrics.

3 **Shift mindsets:** Promote the economic, environmental, and societal opportunity of circular economy through evidence-based storytelling and campaigns.

With a network of over 1,000 circular economy pioneers, we work to accelerate real-world action. Our focus at the intersection of business and policy has proven to be a powerful approach, and one that enables us to drive meaningful change at speed and scale. For example, in just seven years, our approach has taken a circular economy for plastics from a standing start to the heart of global plastics treaty negotiations.

As a non-profit organisation, our philanthropic partners play a vital role in making this work possible and helping us to achieve ambitious goals across sectors, stakeholders, and strategic regions.

We gauge our success through the evolving presence of the circular economy in the global economy, reflected in policy developments at international, national, and regional levels, shifts in material flows, and increased financial investment in circular solutions. At the project level, we apply tailored monitoring criteria to evaluate impact and track progress.



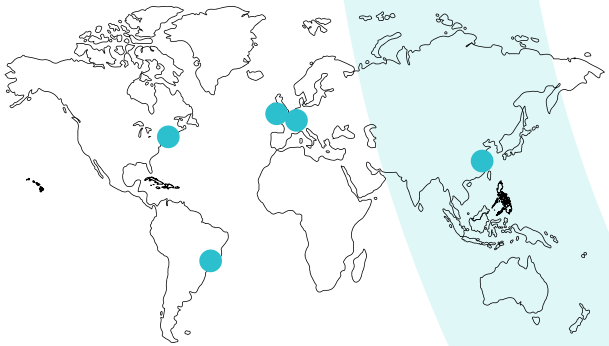
The Butterfly Diagram

Our people

We foster a collaborative and innovative culture, where our people are empowered to develop solutions, challenge the status quo, and forge powerful partnerships. Through ongoing learning and professional development, we ensure our team remains at the forefront of circular economy thinking.

We have invested in building the depth of expertise and talent across our workforce and programme areas, from plastics and policy, to communications and finance. This team of almost 200 people from 30+ nationalities brings the diverse range of expertise, perspective and insight that is vital for driving global change.

Our office locations











Trustees with new CEO Jonquil Hackenberg (from left to right): Michael Lebovitz, Peter Morgan, Jonquil Hackenberg, Dame Ellen MacArthur, Hema Patel, and Philip Sellwood. Credit: Somerset House



STRATEGIC REPORT

Our impact

Over the past year, we have undertaken significant activities to accelerate the transition to a circular economy, focusing on our core programme areas: plastics, fashion, and food. We have made substantial progress towards our strategic objectives by advancing business action, influencing policy and regulation, and shifting mindsets.

Our work has supported a growing number of businesses, policymakers, and disruptors to move away from extractive linear models, enabling more regenerative and resilient practices. This, in turn, supports broader societal benefits, including reduced environmental pressures, new economic opportunities, and long-term resource security.

USD 400 billion in capital mobilised
to accelerate circular economy initiatives (an increase of USD 170 billion since 2021)

3.4 million tonnes of CO_2 emissions avoided
through the actions of Global Commitment signatories, 36% up on last year

1 trillion plastic bags' worth of virgin plastic avoided
– the equivalent weight of virgin plastics prevented from becoming waste since 2018

141 innovative new food products to market in Latin America and Europe
allowing people to touch, taste, and feel the circular economy

39 of the world's key sustainability reporting frameworks have referenced the circular economy as a solution
compared to five in 2020

49 national governments engaged
with our work, representing a combined 82% of global GDP

280 major global organisations united to advocate for an ambitious global plastics treaty
bringing a strong business voice to negotiations

Almost 20% measured improvement in food products
Food Challenge products have demonstrated significant improvement across eight sustainability impact metrics including biodiversity, GHG emissions, and soil

34% increased media reach since 2020
This increase in potential media reach enables us to promote our key messages through new media relationships and opportunities



CATALYSING INDUSTRIAL TRANSFORMATION

Towards a global solution for plastic pollution

2016

A new agenda for plastics. Our research shows applying circular economy principles to global plastic packaging flows could transform the plastics economy and drastically reduce pollution.

2018

Leading global action. The Global Commitment launches, in collaboration with UN Environment Programme (UNEP), to form the world's largest voluntary agreement on plastics, bringing together businesses, governments, non-governmental organisations (NGOs), and investors to eliminate unnecessary plastic and innovate new solutions.

2018

Driving local change. The Plastic Pact network, developed with WRAP, mobilises over 900 organisations worldwide to implement action tailored to local contexts.

Global Commitment signatories have avoided the use of 9.3 million tonnes of virgin plastic since 2018, tackling plastic waste at its root[4]

2023

Business backing for a global treaty. In partnership with WWF, the Business Coalition for a Global Plastics Treaty is convened, bringing together businesses and financial institutions to support an ambitious and legally binding UN treaty to end plastic pollution.

2023

International recognition and overcoming pivotal barriers. The Foundation receives the Champions of the Earth Award from the UN for its impact on plastic pollution. Our learnings from the first five years of the Global Commitment provide new insights for business leaders, policymakers, and negotiators of a global plastics treaty on the barriers to progress on plastic pollution.

Changing how we produce and use plastic

Advocating for the most ambitious global plastics treaty has been at the heart of our plastics programme this year. Our work with leading businesses and governments over the last six years has begun to shift the course of the plastics industry, but has also shown us that voluntary business action can only take us so far. It needs to be bolstered by more, and more ambitious, binding policy measures. Global rules for plastics are crucial to driving the wide scale change needed to end plastic pollution.

Our efforts to date have given us the insights and connections to inform negotiations and push for the most impactful agreement possible. Over the past two years, we've engaged 40 ministers, held 50 in-country meetings, and engaged more than 100 negotiators to provide technical expertise and demonstrate industrial appetite for strong measures. We have never before seen so many countries aligned on ambitious obligations, including global phase-outs, global product design requirements, circular economy systems, and sustainable levels of virgin plastic production. Despite this, countries have not yet reached a final agreement. Whilst divisions over some key issues remain, we are energised by the clear level of ambition shown by the majority of countries, and are committed to continuing this work and driving progress as negotiations continue into 2025.

"The Ellen MacArthur Foundation has been instrumental in engaging businesses and decision makers, enabling large-scale solutions that can steer us toward a future unblighted by plastic pollution."

Inger Andersen, Executive Director, UNEP



“This moment is bigger than plastic pollution. In a time of great division, this is a chance to show that the world can meet global crises with global solutions.”

Ellen MacArthur and Christiana Figueres, Fortune Magazine

Meanwhile, we are supporting and encouraging real-world action on plastics through the Global Commitment, the world’s largest voluntary effort to tackle plastic pollution. Last year we identified three hurdles to overcome: scaling reuse, flexible plastic packaging in high-leakage countries, and lack of infrastructure to collect and circulate packaging. Since then, we’ve been focusing our efforts on overcoming these key barriers. In reuse, we have built on our report showing how and why returnable packaging systems can be scaled, to mobilise the recommendations and begin to make reuse mainstream. This is already beginning to yield results: for example, the Dutch government, European Investment Bank, and business are now exploring how reuse can be scaled in the Netherlands, and we supported the development of a large-scale returnable food packaging scheme set to launch in France in 2025.



The Plastics Pact Network — our model for convening national stakeholders to drive action-oriented initiatives on the ground — is also driving real, measurable change. We reflected on the progress of this initiative in our 2024 report, published with our partner, WRAP, Scaling Impact: The Plastics Pact Network’s Six-Year Journey Towards Eliminating Plastic Pollution and Waste, which found that the Plastics Pacts have eliminated tens of billions of problematic or unnecessary plastic items and incorporation of recycled content into packaging has increased by 44%. These successes have inspired the Chinese government to develop a plastics platform, modelled on the Plastic Pact approach, to drive accountable action in China.

Cultivating change: designing a nature-positive food system

2019

A new vision for food: Our study maps out a system where food production works with nature, rather than against it, while providing nutritious produce for all.

2021

A circular solution to biodiversity loss. Our research shows that, applied together, the three principles of circular economy can help tackle the root causes of biodiversity loss and regenerate nature.

2021

Linking biodiversity and food design. The Big Food Redesign shows how fast-moving consumer goods (FMCG) companies and retailers have the power to make nature-positive food mainstream.

2023

Putting circular design into practice. The Big Food Redesign Challenge brings together food brands and retailers to demonstrate the power of redesigning food.

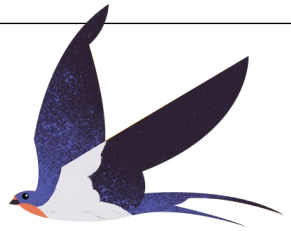
30% of global greenhouse gas (GHG) emissions come from our food system[5]

Towards a food system with nature in mind

In 2024, we moved into the second year of the Big Food Redesign Challenge, **collaborating with the food industry to show that applying circular design principles to food can regenerate nature** and benefit customers, farmers, and the climate. Now in the production phase, more than 140 products are being made across a range of countries and product types. The coming year will see these products widely promoted and available to buy in major retailers across the globe.

This is the beginning of change across the sector. Even before the products hit the shelves, the wider impact of the Challenge is being felt. Global organisations like One Planet Business for Biodiversity (OP2B), European Institute of Innovation & Technology (EIT) Food, and the Centre for Circular Economy in Coffee have begun applying insights from our framework, recognising the role of food design in transforming food systems and driving meaningful change.

It has also attracted the attention of local actors, who see that its application in policy could drive transformative change across degraded landscapes. For example, the Sustainable Food Lab and the Midwest Row Crop Collective believe the framework could drive the adoption of more regenerative practices in the corn and soy farming areas in the USA. In Latin America, the Challenge also inspired a proposal on circular food design and combating food waste, which is currently being considered by the Brazilian Government as part of its circular economy strategy.



The big food redesign challenge



NATURE IN MIND

CASE STUDY

Spoon Cereals:
A stepping stone to bigger and braver things

Spoon Cereals aims to shake up the breakfast market with its Super Oats Porridge: a product that has moved from the seed of an idea to a supermarket shelf as a result of the Big Food Redesign Challenge.

Designed in line with our Circular Design for Food Framework, the final product incorporates UK-grown organic and upcycled oats — a byproduct of the oat milk industry — not only supporting closer links with farmer suppliers but also reducing waste. The Challenge played a key role in supporting Spoon, bringing nature's needs into the heart of their new product development processes. The overall sustainability score for the porridge out-performs the norm for breakfast cereals by 22%, with notable improvements in biodiversity and soil health.

The Challenge also provided access to consumer testing, learning, and networking webinars, enabling the company to gain the insights and confidence to scale its nature-positive vision. Under the Challenge's 'Nature in mind' branding, the product has now been launched in 22 UK supermarket stores. Spoon's story is featured in our Behind the Scenes series of Challenge vlogs.



"Taking part in the Big Food Redesign Challenge has given us not only the tools to bring our product to market, but also a great deal of education surrounding the topic of circular food systems. It's been a stepping stone to bigger, braver things."

Annie Morris, Co-Founder

Shaping a future-fit fashion industry

2017 — **Reimagining the textiles industry.** The Foundation sets out a vision for a textile system, showing how circular economy principles can reduce waste, pollution, and emissions, as well as creating new economic opportunities.

2019 — **Redesigning jeans.** The Jeans Redesign takes an iconic garment as a starting point and works with leading brands to prove that this vision can become a reality.

2021 — **Equipping designers to scale.** The Circular Design for Fashion book gives designers the tools to apply these principles across their whole product range.

2024 — **Policy as a catalyst for change.** Our Pushing the boundaries of EPR policy for textiles report shows how Extended Producer Responsibility (EPR) can incentivise the transition to a circular economy while protecting the planet and livelihoods.

2024 — **Unlocking barriers to scale.** The Fashion ReModel launches in collaboration with leading brands to demonstrate how circular business models can become mainstream, reducing waste, tackling emissions, and creating new revenue streams.

A comprehensive circular economy approach is the only solution that can match the scale of the global textile waste problem[6]

Transforming the way clothes are made and used

In May, we launched The Fashion ReModel, the world's first accelerator project for circular business models (CBMs), such as renting, reselling, and repairing. This collaboration brought together eight leading fashion brands — from high street to high-end — each with a commitment to increase their revenue from CBMs. Participants have so far worked closely with the Foundation to build a strong business case for circularity and will collaborate to address other key barriers to scaling CBMs in the year ahead. By incubating change within our accelerator group, sharing insights, and highlighting successes, we aim to inspire broader industry action.

In addition, **we set out why EPR is a vital tool in establishing the infrastructure needed to collect and reuse textiles after use.** Extended Producer Responsibility (EPR) is a policy approach that holds producers accountable for the entire lifecycle of their products. Well-designed EPR policy can encourage separate collection, sorting, reuse, repair, and recycling of discarded textiles, and has the potential to drive action upstream, encouraging circular design and extending the use phase of textile products.

Developing the necessary infrastructure is vital to move towards a circular economy, along with embedding circular design and transitioning to CBMs. Having already shown the feasibility of circular design through the Jeans Redesign initiative, these represent the latest steps in our strategic approach to seeding change in the fashion sector.

The Fashion ReModel

"We need to make circular business models as convenient and desirable as our linear business."

Sara Eriksson, Business Expert, Circular Business Models, H&M Group

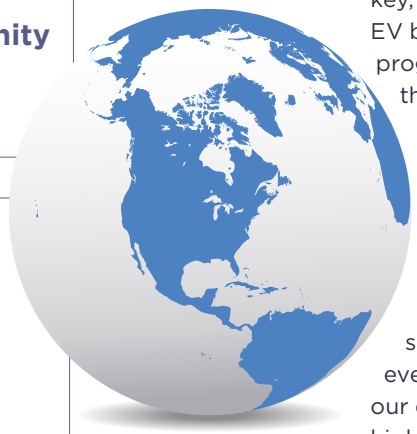


REGIONAL FOCUS, GLOBAL IMPACT

The circular economy as a tool for innovation and climate action in North America

Applying the circular economy in just three key sectors in the United States — the built environment, electric vehicle (EV) batteries, and electronics — is an economic opportunity of up to USD 1.5 trillion[7]

30% of our Network is headquartered in North America



The circular economy represents a major – and largely untapped – opportunity for economic growth and climate action in North America. **Our goal is to highlight the circular economy's potential as a driver of decarbonisation, job creation, and waste reduction** across the United States. To support this effort, we published An innovation pathway to decarbonization in April, a report showing how adopting circular practices in key, carbon-intensive sectors like the built environment, EV batteries, and electronics can accelerate climate progress while delivering economic benefits. By joining the dots between the circular economy and these national priorities, we are demonstrating its potential as a powerful solution for economic resilience, innovation, and sustainability while encouraging policymakers and business leaders to take action in the world's largest economy.

To amplify these insights, we engaged key stakeholders through targeted communications and events. During New York Climate Week, for example, our events on tech, food, finance, and decarbonisation, highlighted the circular economy's role in tackling the climate crisis.

These and other efforts have helped us to shape US policy. In addition to our insights and outreach, we co-hosted an event with the US State Department on reuse in advance of INC-4 plastics treaty negotiations, engaged with the White House and State Department to raise US ambition in these negotiations, and contributed to the US Government Accountability Office's report on textile waste. Our input also helped inform the White House's ambitious strategy on plastics, published last summer.

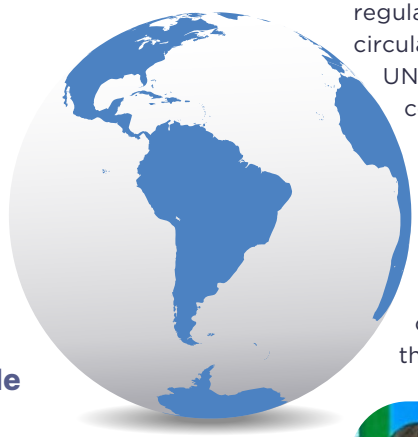
We have worked to develop and implement transformative circular tools and innovations for business. For example, we contributed to the development of Circular Living Standards, operated by WRAP, which use trusted third-party certifications to promote better product design. In particular, our expertise in measurement and reporting standards has helped to impact and shape the Pre-Loved Standard, to more closely align with our vision for a circular economy for fashion, and to articulate the positive impact of keeping products in use, at their highest value, for as long as possible. These innovations are helping to harmonise the industry.

With a developing context within North America, the circular economy remains constant as a highly relevant economic solutions approach. We will continue to respond with agility, connecting the circular economy into themes relevant to North American industry and policy stakeholders.



Dame Ellen MacArthur and Jane Goodall with Kara Hurst, Chief Sustainability Officer (CSO), Amazon, at New York Climate Week

Latin America: protecting biodiversity and charting a circular future



“The Brazilian Government has made significant progress in the transition to a more circular and sustainable economy. The support of the Ellen MacArthur Foundation has contributed to strengthening this agenda, facilitating the exchange of knowledge and best practices that position Brazil at the forefront of a more efficient and inclusive economic model.”

Rodrigo Rollemberg, Secretary of the Ministry of Development, Industry, Trade, and Services of Brazil

In Latin America, we’re capitalising on growing momentum and renewed political leadership to help set a circular course for the continent. A significant milestone this year was our support for Brazil’s first National Circular Economy Strategy (ENEC), which establishes a comprehensive framework to foster regulatory, educational, and financial conditions for circularity to thrive. Developed in collaboration with UNEP and Brazilian ministers, ENEC represents a complete vision for circular economic growth. Given Brazil’s influence in the region, this blueprint could have far-reaching effects.

Elsewhere, our longstanding relationships with governments across the region, including Colombia and Chile, have supported continued commitment to circular economy roadmaps through political change.

By engaging businesses from the Global South in the Big Food Redesign Challenge, we created opportunities to learn, experiment, and showcase how circular design can protect both people and nature across the Amazon basin. With over 20% of product entries coming from the Latin America region, it’s clear there’s a strong appetite for the circular economy. Showcasing how local products can embed sustainability from the start allows us to protect biodiversity, support local businesses, and spark new ideas for the future of food.



Food Challenge products from Paraguay, Casa Rica



Brazil launch: Brazilian president Luiz Inácio Lula da Silva signs the decree creating National Circular Economy Strategy, accompanied by Luisa Santiago, Latin America Lead, among others

Circular economy: a clear path to climate solutions and sustainable development in China

Circular economy interventions in mobility, residential buildings, and plastics could reduce emissions from these sectors by over one third in China[8]





We have experienced a step change in our engagement in China. We have strengthened and expanded our relationships with high-level ministries and high-level decision makers, as the only international non-governmental organisation working specifically on the circular economy within China. This is particularly evident in our work to inform negotiations for a global plastics treaty. Given the critical role government policy plays in driving large-scale change in China, these collaborations are vital to advancing circular opportunities.

Significant progress has been made in promoting the full circular economy opportunity and showing how it can support the country's climate ambitions, notably through our latest publication The circular economy: a 'triple play' solution for achieving China's climate objectives. Developed with Tsinghua University and launched at COP29, the report received widespread interest and not only strengthened our partnerships with academia, industry, and government stakeholders, but reinforced our position as a key thought leader in the circular economy. Professor Zhu Daijan of Tongji University said: "This paper provides fresh insights and perspectives; it is not just another paper but tells a compelling China story through the Ellen MacArthur Foundation framework."

Our pioneering approach is already driving industry action in the renewable energy sector. Our research has shown that a circular approach can help secure the supply of critical raw materials essential for the energy transition. Using these insights, we have engaged directly with the renewable energy sector, which has already inspired the establishment of a Decommissioned Wind and Solar Equipment Circularity Committee to recirculate materials from end-of-life infrastructure.

On the global stage, we've highlighted China's progress and amplified dialogue between major powers on the circular economy. For instance, our event at COP28, in collaboration with the National Center for Climate Change Strategy and International Cooperation of China, explored how a global approach to the circular economy can reduce carbon emissions and build resilience to climate change. In addition, we co-hosted a high-profile session at the 2024 World Circular Economy Forum (WCEF), marking China's first official presence on the WCEF stage. This demonstrated the convening power of the Foundation and our long-term commitment to fostering enhanced global dialogues. We're also supporting the renewed EU-China circular economy Memorandum of Understanding and US-China exchanges to showcase how circularity can address the climate crisis. By aligning international efforts, we enable deeper collaboration, reciprocal learning, and transformative action.

"I have witnessed [the Ellen MacArthur Foundation's] transformative role in shaping and promoting the circular economy globally. The Foundation continues to be a global leader in circular economy theory and practice, and I look forward to seeing its impact grow even further."

Professor Zhu Daijan, Tongji University



ENABLING TRANSITION

Powering change through partnerships and collaboration

“Circularity cannot be achieved by one function or team alone. Purposeful collaboration is key.”

Deb Caldow, Global Marketing Sustainability Director, Diageo



Our Network is a pioneering global community of businesses, policymakers, investors, philanthropists, and other changemakers working to make the circular economy a reality. It sits at the centre of our mission and strategy, enabling not only ambitious collaboration and innovation, but also a deep understanding of the barriers and opportunities to scale circular practice. We work with this community to systematically unlock those barriers and equip our partners with the tools needed in the transition.

Advancing marketing and business model innovations have been our primary focus areas this year. The Marketing Playbook — produced in collaboration with Kantar — showcased the opportunities offered by the circular economy for marketers to enhance brand value and strengthen customer relationships. Meanwhile, our new learning platform, Campus, went live to educate and activate millions of employees across our Network, deepening understanding and accelerating circular economy action beyond sustainability teams.

These targeted tools stand alongside a range of in-person conferences, sprints, and events, designed to foster collaboration and innovation. For example, our business transformation conference, Keystone, provided participants with a set of actions to support their organisation’s circular economy leadership. Building on this event, selected Chief Sustainability Officers (CSOs) were invited to a retreat focused on how to develop investment cases for the circular economy that would engage decision makers, boards, and investors. Feedback from CSO participants was overwhelmingly positive:

“It was inspiring to be among fellow CSOs from diverse sectors, sharing ideas, exploring opportunities, and engaging in meaningful dialogues.”

CASE STUDY

Microsoft’s Circular Supply Chain initiatives

“Since the Ellen MacArthur Foundation sprint in October 2024, we have made strides in advancing our Circular Supply Chain initiatives. Our efforts have focused on enhancing material transformation capabilities and utilising our supplier network to promote the reuse and recycling of recovered materials.

“We continue to pilot new processes to collect materials from takeback systems and internal business operations for use in our devices. Additionally, we continue to design products with recycled content, recyclability, and repairability in mind. The Ellen MacArthur Foundation sprint was helpful in providing us a framework for supply chain circularity and the opportunity to work through our proposal in detail. We look forward to continuing this momentum and achieving our long-term goals for a more circular economy.”

Elena Papakosta, Senior Sustainability Program Manager, Microsoft Corporation

Informing and mobilising ambitious policy

"We highly appreciate the leadership shown by the Ellen MacArthur Foundation and its members over the last 15 years in advocating the transition from linear to circular systems, and in driving that change through practical actions."

Aurel Ciobanu-Dordea, Director in charge of Competitive Circular Economy & Clean Industrial Policies, Directorate-General for Environment, European Commission



Our policy work continues to broaden the uptake of the circular economy. Working with over 45 national governments, we've doubled down on our aim to target high-impact policy agendas and deepen our policy network, with a particular focus on delivering insights, influencing high-level policymaking, and advancing solutions. The progress we've made this year underscores the growing recognition of the circular economy as a powerful tool for addressing common global challenges.

Beyond our substantial efforts to inform negotiations for a global plastics treaty, we've published two major new pieces of research highlighting the untapped potential of the circular economy as a policy mechanism.

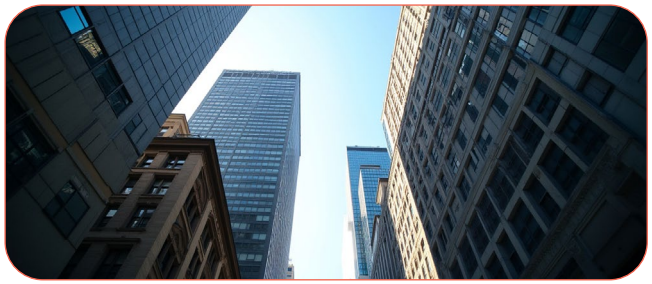
Building Prosperity: Unlocking the potential of a nature-positive, circular economy for Europe highlighted how the circular economy can transform Europe's built environment, delivering economic, social, and environmental benefits. Its release was carefully timed to coincide with the European elections and ensure that the circular economy remains a priority for the next five-year term. We shared these insights with the incoming European administration, urging it to prioritise the circular economy. As a result, the circular economy is a central pillar of the EU's new Competitiveness Compass, which identifies actions needed to boost the bloc's competitiveness on the global stage. In turn, we convened circular leaders across the built environment ecosystem to identify pilot projects that could turn the report's recommendations into tangible solutions.

Our research on **Pushing the boundaries of EPR policy for textiles made a robust case for Extended Producer Responsibility (EPR)** as a tool to advance a circular economy for fashion and textiles, advocating for a policy shift that moves beyond recycling to embrace broader circular solutions including reuse and design innovation. The report resonated globally, with EPR for textiles rising up the policy agenda in multiple countries, including the US, Colombia, and Kenya. It has also positioned the Foundation to influence the G7 Agenda for Circular Fashion and Textiles, a platform that will enable us to address gaps in circularity of textile waste, the longevity of products, and economic challenges to the transition to circular business models. High-level forums like this are critical to our work, providing a powerful mechanism for driving global change.

"Our cooperation with the Ellen MacArthur Foundation has been instrumental — empowering us with substantive knowledge, strategic insights, and global best practices."

Elisabeth Türk, Director, Economic Cooperation and Trade, United Nations Economic Commission for Europe

Financing the future: building the case for circular investments



We have made significant progress in building the case for the circular economy as an attractive investment opportunity, mobilising the capital needed to scale solutions in our focus sectors. Finance plays a pivotal role in driving the transition to a circular economy by providing the capital needed to scale solutions, however barriers such as a lack of coordination among investors, inconsistent data, and limited capacity within financial institutions are slowing progress. Our work this year has focused on addressing these challenges and unlocking the economic potential of circular models.

We began work to develop a framework that will help businesses to measure and communicate the return on circular economy investment, in collaboration with NYU Stern Center for Sustainable Business. This tool will help businesses, including participants in The Fashion ReModel programme, unlock strategic investments and grow circular business models.

In addition, we partnered with BlackRock to identify publicly listed companies adopting circular strategies and evaluate their financial and environmental performance. Presented at New York Climate Week, this research highlighted the potential of circular solutions to improve outcomes like sales growth and emissions reduction, sparking discussions on better coordination of capital to support scale and increasing visibility of the circular economy in the mainstream finance industry.

USD 400 billion in capital mobilised
to accelerate circular economy initiatives (an increase of USD 170 billion since 2021)[9]

CASE STUDY

Intesa Sanpaolo: Exploring finance's role in scaling regeneration

Together with the Intesa Sanpaolo Group, Italy's largest bank, we conducted a 'Catalyst' project to explore opportunities and challenges in enabling regenerative practices. Bringing together various actors across the food and fashion value chains (including brands, enablers, and farmer representatives), we facilitated workshops to examine how regeneration can be supported at scale.

This helped Intesa Sanpaolo identify ways to better leverage its existing initiatives across business units to support a wholesale transition. It also provided inspiration and examples of how a more systemic approach to financing and collaboration could unlock greater impact. As a result, the bank developed concepts for potential new financial instruments and products, and is now exploring how they can be piloted and implemented.

Viviana Bacigalupo, General Manager at Intesa Sanpaolo Innovation Center, said: "The Catalyst project represented an important opportunity to engage with key internal and external stakeholders of Intesa Sanpaolo, fostering a systemic understanding of regenerative practices. This collaboration allowed us to explore innovative financial solutions aimed at supporting sector-wide transitions, in line with our strategic commitment to sustainable finance and the promotion of circular economy principles."

Making metrics matter: providing a clear picture of progress

39 key reporting frameworks have now incorporated the Foundation's feedback or refer to our messaging



Meaningful reporting is essential for driving the shift to a circular economy, giving businesses, investors, and policymakers the insights they need to track progress, find new opportunities, and make informed decisions. However, for companies striving to accelerate action, the rapidly evolving reporting landscape has created confusion around what to measure, and presented challenges: for example, by disincentivising circular solutions that mitigate climate emissions.

To address this, **we have been driving harmonisation in the reporting landscape and helping businesses navigate its complexities**. In May, we published Navigating the circular economy reporting landscape, setting out the role of measurement in accelerating action. We have also collaborated with leading companies to develop recommendations for the most widely adopted disclosure frameworks, including the Taskforce on Nature-related Financial Disclosures (TNFD) and the GHG Protocol, the global standard for emissions reporting. Focusing on the key reporting frameworks can trigger positive tipping points in capital markets, ensuring that circular economy principles are embedded in financial decision making.

In parallel, **we created a tool, available to businesses in our Network, to help them evaluate their progress toward becoming circular economy leaders.** Adopted by 50 partner companies, this has enabled organisations to identify areas for improvement and create opportunities for impactful collaboration.

CASE STUDY

"Clear guidance on how businesses across sectors identify, assess, and disclose their nature-related issues is essential to give investors the information they need to support business models that benefit nature. We are deeply grateful to the Ellen MacArthur Foundation for their invaluable expertise and contributions to the development of the sector guidance for apparel, accessories and footwear, construction materials, and engineering, construction, and real estate. Their insights have helped shape both this guidance and their alignment with Taskforce on Nature-related Financial Disclosures' (TNFD) overall framework, ensuring it reflects leading practices in the transition to a circular economy."

Emily McKenzie, Technical Director, TNFD

Shifting mindsets: transforming thinking and inspiring action

17.7% of all media coverage referencing the circular economy mentions the Ellen MacArthur Foundation[10]



Redesigning Food: Behind the scenes video series (2024)



Other Ways of Living Series. Credit: WaterBear

Our goal is to inspire wider and faster action in business and policy by using innovative storytelling and communications to raise awareness of key issues related to the circular economy. Encouraging indicators across our campaigns suggest we're making progress. We estimate that our reach has increased by 34% since 2020, with a greater focus on in-depth, high-quality pieces of coverage.

By showcasing breakthrough innovation and leading practice we are increasing awareness, informing debate, and focusing business and government attention on the opportunities of the circular economy. For example, we bolstered our advocacy work for a global plastics treaty with impactful videos such as Business Needs Global Rules, and widely covered interviews with Ellen MacArthur, together with an op-ed with Christiana Figueres in Fortune Magazine, following a joint interview on BBC America at New York Climate Week. The article was followed up by an interview with Ellen and Christiana on The Circular Economy Show podcast, which received over 1,959 total listens. These efforts exceeded our expectations, reaching influential media outlets, including The Economist, Financial Times, and Folha de S.Paulo, and securing a potential reach of 2.2 billion across 17 different countries. We also mounted similar campaigns in other areas, including for our food initiative, which was referenced widely, including for example, in an article in the Washington Post, and our fashion initiative, which has been covered in almost 1,000 articles, bringing key messages to a wider audience.



Other Ways of Living Series. Credit: WaterBear

New formats and partnerships have sparked further conversations about the circular economy. Our film series with WaterBear, Other Ways of Living, has helped to raise public awareness of the circular economy. 82% of respondents to a viewer survey reported an increased knowledge and awareness of the circular economy, with 96% wanting to take action. Meanwhile, participant vlogs from the Big Food Redesign Challenge, showcasing a range of perspectives and detailed examples, proved an effective and accessible way to share learnings.

Looking forward

Our strategic ambitions

We are committed to normalising the circular economy by 2030, ensuring that its principles are visible and operational in everyday practices, with circular economy solutions transitioning from pilot initiatives to business practice at scale. Moving forward, our focus is shifting towards accelerating implementation, scaling solutions from early-stage pilots and startups to established industry norms.

The credibility and connections we have built with businesses, policymakers, and global institutions uniquely position us to drive systemic change. Our role now is to chart paths for capital and resources to flow to the innovations and infrastructure that make circular solutions economically viable at national or international scale.

As the Foundation enters its next phase, our strategic ambitions reflect a sharpened focus on implementation and scale. For example, in the coming year, our plastics programme will focus on overcoming the critical hurdles of scaling reuse, addressing flexible plastics, and establishing infrastructure.

In the five years ahead, we will focus on areas where the circular economy presents the best solution to challenges that are of immediate concern to business and policy, and market conditions allow scaled implementation. To this end, we will organise our programme activities around three central missions: plastics and packaging, critical minerals and materials, and consumer products. These missions will be underpinned by transversal work in policy — at international, national, and regional level — and narrative, with the aim to build broader momentum across the globe.

In an increasingly resource-constrained world, the circular economy has never been more relevant. It can deliver short-term impact and longer term systemic change, decoupling economic success from environmental degradation.





Jonquil Hackenberg on the path ahead

Stepping into the role of CEO, I feel honoured to lead an organisation I have long admired. **The Ellen MacArthur Foundation is a singular, world-leading force for change.** It has spent the last 15 years putting the circular economy on the map as a fundamental way to solve critical global challenges.

Now, as momentum shifts towards implementation and scaleup, we are evolving our approach to ensure the circular economy brings real-world change. Our goal remains to normalise the circular economy. To do this, we will focus our efforts on high-impact priorities — areas where circularity can make the most meaningful difference to address critical resource challenges, transform production and consumption, and eliminate waste at scale.

For example, we will continue to drive our pioneering plastics work forward, seizing on the opportunity of a plastics treaty to globalise the opportunities, whilst exploring in parallel work on infrastructure, reuse, and alternative materials. We'll explore the role of AI in accelerating innovation and help leaders apply circular principles to the renewable energy transition and the consumer electronics industry. We will embed circular design in the food system and scale-up business models in fashion and textiles to promote reuse, repair, and remaking. We'll work with major governments to embed the circular economy into their objectives and roadmaps, and we'll strengthen measurement frameworks so that progress can be better measured.

As we enter this new era, our role remains clear: to convene, share insights, highlight opportunities, unlock barriers, and support implementation, by helping investment flow to the most impactful areas — investment in terms of financing, skills development, and scaling up innovation. By making the circular economy more tangible, so people can really understand how it contributes to shaping a better future, we will mobilise even greater action. By working with businesses and policymakers in tandem, we create a reinforcing cycle where business leadership strengthens the case for bold policy action and policy enables businesses to go further.

With a sharper focus and a commitment to system change, we will be able to effect large-scale change where it matters most. Together with the dedicated and talented team and our partners, I look forward to shaping a thriving economy that sits within planetary boundaries.

Jonquil Hackenberg — Chief Executive Officer

Powering change, together

Thank you for your support

The commitment, pioneering action, and leadership of the businesses, policymakers, subject experts, and entrepreneurs who work alongside us is driving real change and inspiring circular economy adoption around the world.

As a non-profit organisation, our work is made possible by our community of philanthropic partners, by their commitment to solving some of the world's biggest challenges, and by their belief in an economy that benefits people, businesses, and the natural world. With our funders' support, we bring changemakers together, strengthen our evidence-based research, and deliver meaningful outcomes in the regions where we can make the biggest difference.

This support is not just financial — it is foundational. Our supporters encourage us to be more ambitious as we work with stakeholders across the spectrum, helping us to turn bold ideas into tangible outcomes. They provide the capacity to push boundaries, overcome barriers, fuel innovation, and unlock opportunities at scale.

A special mention to our philanthropic partners: Players of the People's Postcode Lottery (funding awarded by Postcode Earth Trust and Postcode Innovation Trust), Astra Foundation, ClimateWorks Foundation, Constellium Cares, Erol Foundation, European Climate Foundation, Gordon and Betty Moore Foundation, H&M Foundation, Laudes Foundation, Norwegian Retailers' Environment Fund, Oak Foundation, Porticus, Schmidt Family Foundation, and Stichting de Boomgaard.
Thank you for your continued partnership.

Visit our website to find out more about funding our work and our Network

Together, we can move towards an economic system which delivers better outcomes for both people and nature. Join us.



FINANCIAL REVIEW

Financial position

In 2023/24, the Foundation maintained a strong financial position, balancing growth and sustainability while advancing our mission. This was achieved despite a challenging external funding environment and the need for internal organisational adjustments to ensure efficiency and focus. Normalised total income (see page 32) is climbing steadily, while expenditure was reduced in this financial year, reflecting strategic cost management and investment in key programmes. We continued to diversify income streams, for example through our investment strategy, and strengthen financial resilience to support long-term impact.

The following financial statements appear to show a decrease compared to the previous year, however this is due to a change in accounting treatment. To provide a clearer, year-on-year comparison, we have presented both the statutory accounts and normalised extracts. The financial position is set out in detail in the accounts and notes on page 55.

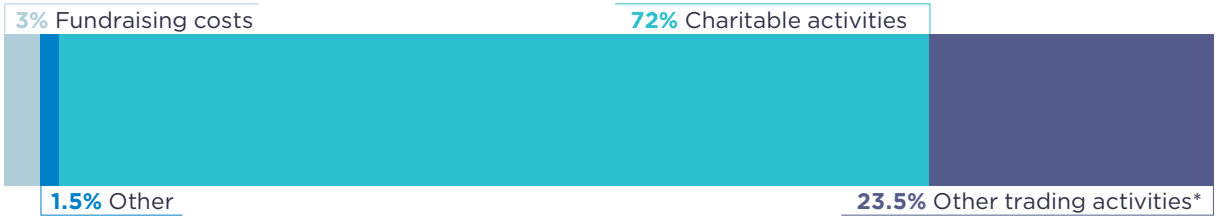
Funding model

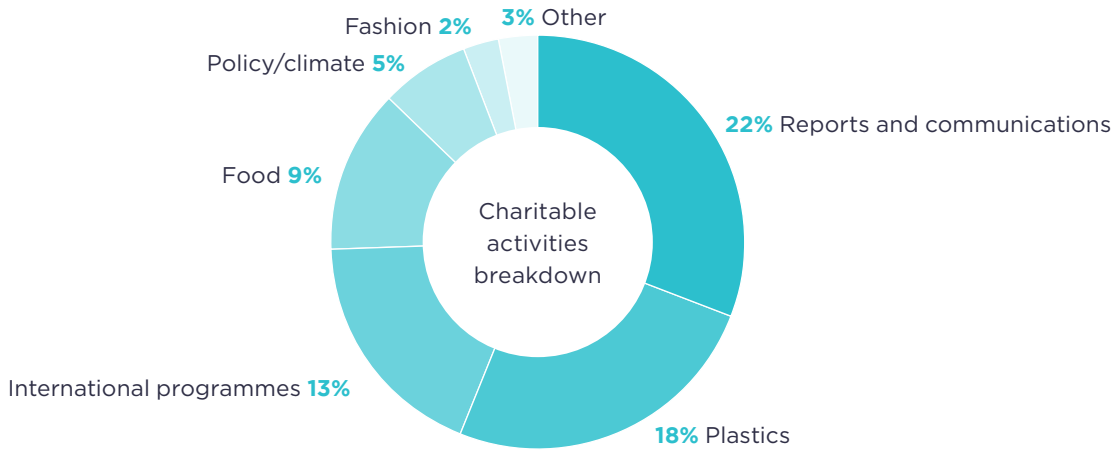
The Foundation's income in 2024 comprised 38% philanthropic funding, 57% corporate donations, 2.5% investment income, and 2.5% other income. A significant portion of the 'other income' category (£468k in 2024) was generated through a revenue-sharing agreement linked to a circular economy investment fund, where we provide expertise to help ensure alignment with circular economy principles. We have a trading subsidiary for our corporate income and associated operating costs. This allows us to work closely with the most influential businesses while maintaining our independence. Independence allows us to set ambitious targets and provides the neutrality required to be trusted as a thought-leader in international spaces, such as the G7 and G20. No funding is generated from the general public and fundraising activities are monitored by the Trustees.

INCOME



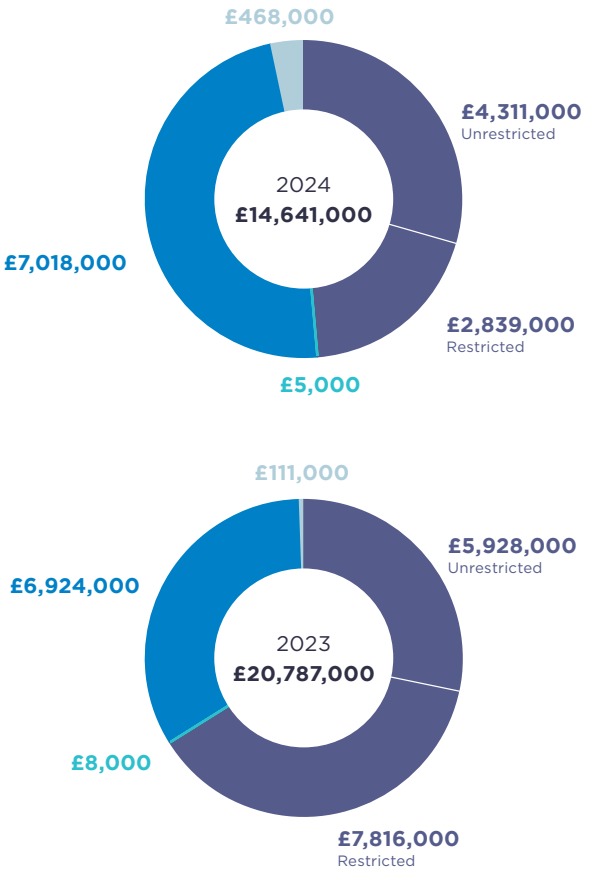
EXPENDITURE



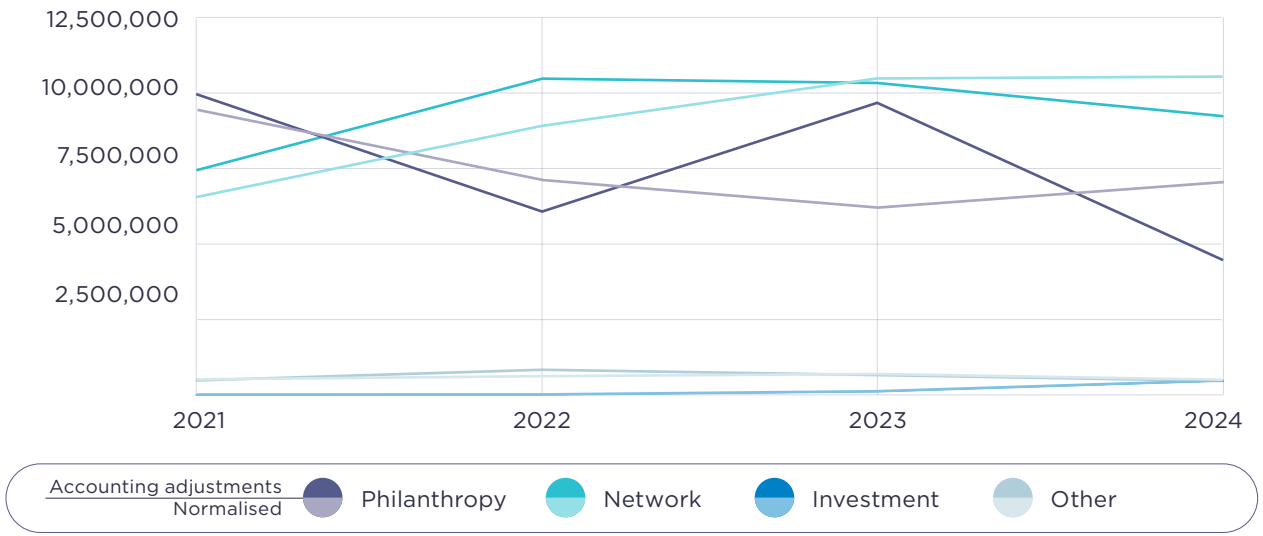


*All trading activities are mission-aligned, and all surpluses are reinvested into charitable objectives.

INCOME BY CATEGORY
(with accounting adjustments)



INCOME BY FUNDING SOURCE - ACCOUNTING ADJUSTMENTS AND NORMALISED



Income

In 2023-24, our total income was £14,641,000. While this appears to show a decrease of £6,147,000, this change is primarily due to the way income is recognised in line with the Charities SORP (FRS 102), with multi-year grants recognised in full at the start of the agreement.

In 2023, a significant portion of our income related to multi-year funding agreements, including support for key programme areas and partnerships. This included funding intended to cover activities across 2023, 2024, and 2025, but which was recognised in full in 2023, in line with accounting requirements. By comparison, fewer new multi-year agreements were initiated in 2024, resulting in a lower level of upfront income being recognised in that year. To illustrate, we recognised a £4m grant from one philanthropic funder in the 2023 financial year, relating to three years of the Plastics project, and income from two corporate Strategic Partners and 12 corporate Partners was recognised in the 2023 accounts but will be utilised over 2023, 2024, and 2025. By comparison, substantially fewer were recognised in 2024.

These accounting treatments can be normalised to provide a clearer picture of our funding over time. The graphs below show income per year both as recorded under accounting standards and normalised to reflect expected funding timelines.

The normalised income position shows a steady increase in each funding source over time, with an overall increase of 6% from 2023 to 2024.

Philanthropic
In 2023/2024 our philanthropic funding (normalised) increased slightly from the previous year. Philanthropic donations account for 37.9% (normalised) of income received during the year (up from 35.3% in the previous year). We successfully secured funding from six new philanthropic funders, which contributed to new research and content to support our increased strategic focus on shifting mindsets and realising the potential of a nature-positive, circular economy. Our focus going into 2025 was on building these new relationships to secure continuation of funding beyond the initial term, whilst also dedicating significant effort to secure new multi-year partnerships.

Corporate
Our corporate funding remained stable in 2024 (normalised). We currently have nearly 100 organisations in our Network at different levels of engagement – Members, Partners, and Strategic Partners – and representing a wide range of industries and regions.

Our Network partners are seeking more bespoke support as they move from strategy to implementation, meaning there is decreasing demand for generic circular economy learning and convening but increased demand for specific interventions that can unlock investment and deliver tangible results. The result is increasing sector clusters aligned with areas of deeper programming, such as plastics, fashion, and finance. This evolving landscape is shaping our corporate funding model. While core contributions remain essential, we are increasingly engaging partners through targeted collaborations and programme-aligned initiatives. These more bespoke partnerships offer the potential for both deeper impact and more diversified funding to support long-term system change.

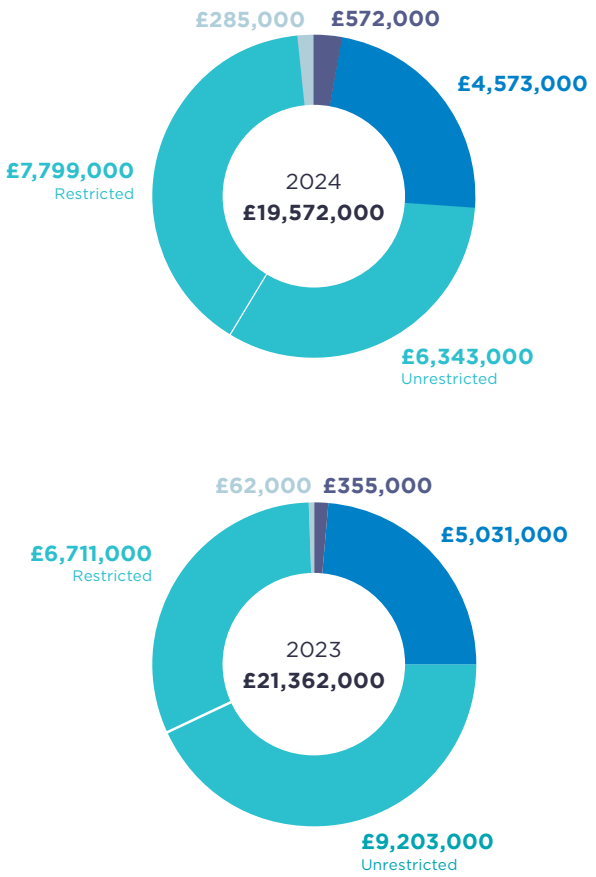
Bank interest
£10m (reserves and working capital) was invested into Cazenove Bank from 1 Sep 2023, generating a return on investment in the year of £421k. This account replaced the Lloyds 95 Day Notice bank account which has now been closed (2024 closing interest, £34k) and the Overnight Interest account (2024 closing interest, £6k). The Triodos account remains open (interest in 2024, £5k).

For further details on the rationale behind these changes, please refer to the Investments section below.

ILLUSTRATION OF INCOME IMPACTED BY ACCOUNTING ADJUSTMENTS AND NORMALISED

			Year			
Income	**Restricted / unrestricted**	**Income category**	**2021**	**2022**	**2023**	**2024**
With accounting adjustments	Restricted	Donations and legacies	6,242,066	3,914,438	7,816,514	2,838,796
	Restricted total		**6,242,066**	**3,914,438**	**7,816,514**	**2,838,796**
	Unrestricted	Charitable activities	11,761	7,804	7,959	4,887
		Donations and legacies	7,176,982	7,640,282	5,927,256	4,311,370
		Income from other trading operations	4,495,000	5,825,000	6,924,174	7,018,000
		Investments	4,191	5,891	111,202	468,027
	Unrestricted total		**11,687,934**	**13,478,977**	**12,970,591**	**11,802,284**
With accounting adjustments total			**17,930,000**	**17,393,415**	**20,787,105**	**14,641,080**
Normalised	Restricted	Donations and legacies	5,699,738	4,919,021	4,291,140	5,389,067
	Restricted total		**5,699,738**	**4,919,021**	**4,291,140**	**5,389,067**
	Unrestricted	Charitable activities	11,761	7,804	7,959	4,887
		Donations and legacies	6,239,482	5,840,282	6,112,258	5,650,122
		Income from other trading operations	4,495,000	5,825,000	6,924,174	7,018,000
		Investments	4,191	5,891	111,202	468,027
	Unrestricted total		**10,750,434**	**11,678,977**	**13,155,593**	**13,141,036**
Normalised total			**16,450,172**	**16,597,998**	**17,446,733**	**18,530,103**

OVERALL EXPENDITURE
(divided by category)



Expenditure

Total expenditure in the year was £19.6m, representing a net decrease of £1.8m (8.4%) on the previous financial year. This decrease aligns with our strategic approach to cost management and the timing of multi-year programme delivery.

Restricted (for details on the projects, see Note 17 below)
Restricted funding expenditure increased by £1.1m in 2023/4 to £7.8m, driven primarily by investment in two key projects: Building Prosperity (£761k) and the Big Food Redesign Challenge (£700k). Additionally, spending on the plastics programme increased by £112k in the financial year, and new film and content projects, funded by the Boomgaard Foundation and Constellium Cares, commenced in FY 2024. This increase in expenditure was funded by income received during the year, as well as funds brought forward from previous years.

Expenditure in China decreased by £445k, as funding contracts ended.

Unrestricted
In 2023/24, unrestricted expenditure reduced by £2.9m to £11.8m. This was mitigated by optimisation of resource allocation, ensuring strategic alignment with our financial objectives, and supporting long-term financial resilience. This included a range of tactical changes in delivery approaches and cost-savings, including:

- Targeted adjustments across departmental budgets
- Revisions to organisational policies, such as travel guidelines
- Prioritisation of core activity areas to align with strategic objectives and available resources

The organisation made significant savings on its unrestricted spending in 2024, especially in consultancy and events. Consultancy costs were reduced by £605,000, mainly because two one-off projects were completed in 2023: the SystemIQ Circular Economy Metrics and the Oliver Wyman Organisational Strategy.

We also made strategic changes to our event programme, which helped us use our resources more efficiently. By shifting away from our annual Summit, we saved £400,000, and we made a further £300,000 in savings by allocating resources away from the Circular Economy Show. These decisions allowed us to reinvest in other key initiatives.

Fundraising costs increased by £217k. This is attributed to two key factors: increased investment in fundraising to support an increasing number of funders and funding agreements, and a shift in accounting practices. While this has resulted in a higher reported figure, fundraising costs remain comparatively low relative to the overall scale of our operations. The increase reflects a strategic commitment to strengthening our fundraising capacity and sustaining long-term partnerships.

In October 2023, the Foundation conducted an organisational review, informed by consultancy firm Oliver Wyman, with the aim of aligning our operational structure to deliver most effectively against our 2030 ambitions. This resulted in a reduction in payroll costs of £532k in 2023/24, including four redundancies and non-renewal of fixed term contracts.

Reserves

The Trustees ensure the overall health of the Charity by requiring its free reserves (the sums retained to withstand any short-term financial risk, excluding fixed assets) to be closely monitored, on an annual basis. The policy agreed by the Board is to hold 6-9 months of free reserves, which in financial terms is £6.4m–£9.7m. The Charity remains a dynamic organisation, experiencing rapid growth in its activities and the interest they generate. This level of reserves is therefore considered sufficient to unwind the ongoing commitments to projects and the financial obligations from contracts in place.

Unrestricted reserves brought forward from 2023 were £15.5m. Adding the 2024 in-year surplus of £29.5k and deducting designated funds of £5.5m for specific projects results in an unrestricted reserve balance of £10m.

To calculate free reserves, we deduct fixed assets (£473k) and accrued income (£1.95m), resulting in total free reserves of £7.6m (2023: £5.9m). This equates to seven months of operating costs, aligning with our reserves policy.

Investments

The objective of the Charity's investment policy is to preserve and, where possible, enhance the real value of its assets by maintaining a balance between maximising long-term returns and managing risk and capital volatility . Following a review of our investment approach, we closed our Lloyds 95 Day Notice, higher interest, deposit account and invested £10m with Schroders Investment Bank, managed by Cazenove. Currently, our working capital is held in a high-interest instant account, with the remainder invested in Treasury bills on a six-month rolling basis, reviewed regularly in line with working capital requirements. Total investment gains in the year were £468k (2023: £111k).

Key risks

The Trustees monitor and manage risks by way of a risk register, which is reviewed three times per year. Compiled internally under the leadership of the CEO and COO, the register is continuously updated to reflect evolving risks, ensuring they are recognised and properly addressed. It identifies the most significant risks, along with mitigation strategies, and internal responsibilities for risk management. Day-to-day risk management is led by the Executive Leadership Team and Leadership Team, whose members hold individual and/or collective delegated responsibilities for given matters.

The key current risks being carefully and actively managed, but not perceived to carry high significance, are:

1. Threats to income and capital, including from changing global and national economic challenges
2. Threats to reputation, or challenges to mission and concept, or misuse of brand
3. Threats to operations, including attraction and retention of people as a result of multiple factors including cost-of-living increases and working (office/location) arrangements.

We are mitigating these risks by:

1. Carefully monitoring the economic landscape, clarifying and rearticulating strategy, increased financial controls, robust financial planning, and continued evolution in our approach to philanthropic and corporate funding
2. Doubling down on our communication efforts to accurately convey the circular economy, restating the economic rationale, demonstrating clear solutions activation, conducting careful due diligence of our partners, and increasing our branding efforts
3. Adapting and monitoring our location strategy, increasing provisions for remote working, and continuing to offer attractive employment packages, including formal career pathways and succession planning.



STRUCTURE, GOVERNANCE AND MANAGEMENT

The Ellen MacArthur Foundation was registered as a charity in England and Wales on 7 May 2009, and is governed by a Memorandum and Articles of Association dated 3 July 2013.

The Charity is formed as a Company Limited by Guarantee, registered in England, and governed by its Articles of Association. The Company has no share capital although the subscribers of the Memorandum are obliged to pay the sum not exceeding £1 in the event of a winding up of the Charitable Company. The Charity is registered with the Charity Commission for England and Wales, with the Office of the Scottish Charity Regulator under number SC043120 and from 1 January 2018 as an ANBI (Algemeen Nut Beogende Instelling) in the Netherlands.

Charity number: 1130306

Scottish Charity Register number: SC043120

ANBI RSIN number (Netherlands): 8257 45 925

Registered company number: 06897785

Charitable objects

"To promote for the benefit of the public of the conservation, protection and improvement of the physical and natural environment and the prudent use of natural resources; and to advance the education of the public in the conservation, protection and improvement of the physical and natural environment and to promote study and research in such subjects for the public benefit and disseminate the useful results."

Executive Leadership Team

Day-to-day executive management of the Ellen MacArthur Foundation UK lies with the Executive Leadership Team (ELT), which is responsible for formulation and management of strategy and priorities, and operational systems and processes. The Trustee Board has also delegated specific functions and powers to members of the ELT and other relevant offices.

Andrew Morlet (CEO)

Jonquil Hackenberg (CEO: appointed 4 November 2024)

Joanne Bootle (COO)

Jocelyn Bleriot (Executive Lead – Policy)

Joe Murphy (Executive Lead – Business Network)

Jon Ely (Executive Lead – International and Philanthropy)

Rob Opsomer (Executive Lead – Plastics and Finance)

The ELT group meets monthly and is supported by a team of functional leads, who run the specific programmes and activities of the charity. Both leadership groups have terms of reference that are accessible to all on the Foundation's intranet.

Key partners

In pursuing our charitable objectives, the Foundation maintains strong partnerships with a range of organisations, both within the charity sector and beyond. These relationships are essential to amplifying our impact and driving systemic change. We collaborate with leading charities, governmental bodies, and other key stakeholders, sharing knowledge, resources, and expertise to advance the circular economy. Notable partnerships include World Wildlife Fund, WRAP, the Sustainable Food Trust, and the United Nations Environment Programme.

We have a business network of Strategic Partners, Partners, and Members who collaborate with us to innovate, implement, and advance the circular economy. A full list of our network partners is available on our website.

Introducing Jonquil

Jonquil Hackenberg brings over 20 years of experience in climate response and business transformation to her role. Before joining the Foundation in November 2024, Jonquil was CEO of Eunomia Research & Consulting. Her career also includes significant roles at PA Consulting where she served as Global Head of Sustainability and Climate Response, and a 13-year tenure at Infosys which culminated in the position of Global Head of Sustainable Business.

Remuneration

Our pay and benefit principles:

- Equitable
- Market-informed
- Personal
- Differentiated
- Transparent
- Well-governed
- Sustainable

The Executive Leadership Team is responsible for considering, agreeing, and overseeing the overall remuneration policy of the Foundation. The People Lead holds overall accountability and ownership for pay and benefits and provides oversight of remuneration decisions and recommendations. Country Leads share this responsibility within their jurisdictions to account for regional variations. Recommendations for salary changes are evaluated against internal considerations (organisation structure, competencies, performance, affordability) and external factors (market benchmarks, cost of living assessments).

Any CEO and COO salary adjustments and bonuses are discussed and agreed by the Trustees.

Our approach to ethical fundraising

We carefully vet our philanthropic partners to ensure value and mission alignment, and work to build long-term partnerships with organisations that understand system change. We only accept donations from philanthropic organisations that are aligned with our mission and follow a robust due diligence process prior to accepting any funds. We have established policies to help ensure we comply with the law, ethical standards, and best practice, and help us protect our reputation – for example our Conflicts of Interest Policy explains how we identify and prevent conflicts of interest and our Counterparty Diligence Policy sets out the process for carrying out due diligence in order to assess and manage potential counterparty risks. We have never received any formal complaints in relation to our fundraising practices.

Subsidiaries and branches

As a charity with the global mission, The Ellen MacArthur Foundation forms an umbrella organisation for efforts in strategic geographies.

Our regional offices include:
Ellen MacArthur Foundation USA, Inc.
Incorporated as a Nonstock Exempt Corporation in 2015 to interpret and deliver our mission in North America.

Ellen MacArthur Foundation Brasil
Established in 2017 to manage our Latin American outreach, registered as a non-profit civil association.

Ellen MacArthur Foundation (UK) Beijing Representative Office
Registered in 2022 with the Public Security Bureau as an international non-governmental organisation (INGO), under the authority of the Ministry of Ecology and Environment of China. This branch enables us to directly connect with stakeholders in China. Registration certificate number: No.00005014; Unified social credit code/tax code: G1110000MCW006869N.

The Charity has two wholly owned trading subsidiary companies whose profits are donated to the Charity to further its work.

Ellen MacArthur Foundation Trading Ltd. ('EMF Trading')
EMF Trading is registered in England and provides business services relating to the circular economy to the Charity's business network - Strategic Partners, Partners and Members. It has three directors: Ellen MacArthur, Jocelyn Bleriot, and Andrew Morlet.

EMF Trading (USA), Inc
Registered in Delaware in April 2020, and currently inactive.

Board of Trustees

The charity is overseen in the UK by a Trustee Board, which carries ultimate responsibility for management and administration, and which provides oversight and guidance on strategy, governance, finance, and operations. The Board meets a minimum of three times per year. The Trustees are independent — not affiliated with funders or Network members — unpaid, and their overriding purpose is to protect and support the charity and its mission. Trustees are appointed by agreement of the existing Board of Trustees and provided with an induction and training process. They must have specific skills or knowledge in a sector beneficial to the Charity and its charitable objectives. For example, the current board comprises expertise in sustainability, media, law, technology, and finance.

Dame Ellen MacArthur (Chair/Trustee)

Peter Morgan (Director/Trustee)

Philip Sellwood (Director/Trustee)

Michael Lebovitz (Director/Trustee)

Hema Patel (Director/Trustee)

Joanne Bootle (Company Secretary: resigned 4 July 2024)

Laura Winn (Company Secretary: appointed 4 July 2024)

Approved and signed on behalf
of the Board of Trustees



Dame Ellen MacArthur

20 May 2025

Trustees report

The Trustees present their report and the audited financial statements on behalf of the Charity, its trading subsidiaries, and international sister charities for the year ended 31 August 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS102) in preparing their annual report and financial statements of the Charity and the Trustees' Report contains the information required in a Directors Report as set out in English company law.

In carrying out our work, the Trustees have had regard to the Charity Commission's guidance on public benefit, ensuring that our activities serve the public good and align with our charitable objectives.

Statement of responsibility of the Trustees

The Trustees are responsible for their annual report and the preparation of financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. In the preparation of those financial statements, the Trustees are required to:

- Select suitable accounting policies and ensure they are applied consistently
- Make judgements and estimates that are reasonable and prudent
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Trustees are responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006 and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They also have responsibility for ensuring that the Charity has appropriate systems and controls (financial and otherwise) and that reasonable steps are taken for safeguarding the assets of the Charity and for the prevention and detection of fraud and other irregularities.

Audit information

So far as each of the Trustees at the time the Trustee's report is approved is aware:

- there is no information of which the auditors are unaware; and
- they have taken all the relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Reference and administrative details

Professional service providers

Accountants:
Moore (South) Isle of Wight
9 St John's Place, Newport, PO30 1LH

Bankers:
Lloyds TSB
30 Commercial Road, Totton, Southampton, SO40 3TH

Auditors:
Moore Kingston Smith LLP
Floor 6, 9 Appold Street, London, EC2A 2AP

Contact

The Ellen MacArthur Foundation
The Sail Loft, 42 Medina Road, Cowes, PO31 7BX

+44 (0) 1983 296463

info@ellenmacarthurfoundation.org

www.ellenmacarthurfoundation.org

Independent auditors' review

Opinion
We have audited the financial statements of the Ellen MacArthur Foundation which comprise the group and parent and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the group statement of financial activities, the group and parent Charitable Company balance sheets, the group cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent Charitable Company's affairs as at 31 August 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Trustees' 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 group's and parent Charitable 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 Trustees 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 Trustees are responsible for the other information contained in 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.

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 course of 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 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 strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual 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 group and parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charitable Company's 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.

Responsibilities of Trustees
As explained more fully in the Trustees' responsibilities statement set out on page 39, the Trustees 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 Trustees 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 group and parent 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 group or parent 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
We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent Charitable Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent Charitable Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Charitable Company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charitable Company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Charitable Company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 and to the Charitable Company's Trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Charitable Company and Charitable Company's members as a body, and the Charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Samir Chandoo (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Date: 27 May 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2024

		Unrestricted funds	Restricted funds	Total 2024	Total 2023
INCOME AND ENDOWMENTS	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Donations and legacies	3	4,311	2,839	7,150	13,744
Charitable activities	4	5	-	5	8
Income from other trading operations	7	7,018	-	7,018	6,924
Investments	5	468	-	468	111
TOTAL INCOME		**11,802**	**2,839**	**14,641**	**20,787**
EXPENDITURE					
Fundraising costs	8	572	-	572	355
Commercial trading operations	7	4,573	-	4,573	5,031
Charitable activities	8	6,343	7,799	14,142	15,914
Other	8	285	-	285	62
TOTAL EXPENDITURE		**11,773**	**7,799**	**19,572**	**21,362**
NET INCOME/(EXPENDITURE)		**29**	**(4,960)**	**(4.931)**	**(575)**
Transfer between funds		(5,524)	5,524	-	-
NET MOVEMENT IN FUNDS		**(5,495)**	**564**	**(4,931)**	**(575)**
RECONCILIATION OF FUNDS Fund balances as at 1 September 2023		**15,493**	**6,322**	**21,815**	**22,390**
Fund balances as at 31 August 2024		**9,998**	**6,886**	**16,884**	**21,815**

The Statement of Financial Activities includes all gains and losses in the period.
All incoming resources and resources expended derive from continuing activities.
A full comparative statement of financial activities is shown in note 2.

CONSOLIDATED AND CHARITY BALANCE SHEET
At 31 August 2024

		Group 2024	Group 2023	Charity 2024	Charity 2023
FIXED ASSETS	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Tangible fixed assets	11	473	699	252	320
Fixed asset investment	12	-	-	-	-
		473	**699**	**252**	**320**
CURRENT ASSETS					
Stocks		22	-	-	-
Debtors	13	5,330	7,146	3,568	5.396
Investments	14	10,414	-	10,414	-
Cash at bank and in hand		5,282	19,448	2,316	15,609
		21,048	**26,594**	**16,298**	**21,005**
CREDITORS					
Amounts falling due within one year	15	(4,637)	(5,478)	(1,757)	(1,779)
NET CURRENT ASSETS		**16,411**	**21,116**	**14,541**	**19,226**
TOTAL NET ASSETS		**16,884**	**21,815**	**14,793**	**19,546**
FUNDS					
Unrestricted funds	16	9,998	15,493	7,907	13,224
Restricted funds	17	6,886	6,322	6,886	6,322
TOTAL FUNDS		**16,884**	**21,815**	**14,793**	**19,546**

The financial statements on pages 29 to 77 were approved by the Board of Trustees and signed on its behalf by:



Dame Ellen MacArthur **Dated:** 20 May 2025 **Company Registration Number**: 06897785

The notes on pages 49 to 77 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
Year ended 31 August 2024

	Group 2024	Group 2023
CASH FLOW FROM OPERATING ACTIVITIES	**£'000**	**£'000**
Cash flow from investing activities	(4,202)	1,962
Payments to acquire tangible fixed assets	(19)	(268)
Purchase of investments	(11,731)	-
Proceeds from disposal of investments	7,500	-
Interest received	229	111
NET CASH FLOW FROM INVESTING ACTIVITIES	**(4,021)**	**(157)**
Net (decrease)/increase in cash and cash equivalents	(8,223)	1,805
Cash equivalents at 1 September	19,448	17,643
CASH EQUIVALENTS AT 31 AUGUST	**11,225**	**19,448**
Cash and cash equivalents consists of:		
Cash at bank and in hand	5,282	19,448
Short term deposits included in current asset investments	5,943	-
CASH EQUIVALENTS AT 31 AUGUST	**11,225**	**19,448**

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:	2024 £'000	2023 £'000
Deficit for the year	(4,931)	(575)
Depreciation	244	298
Deficit on disposal of fixed assets	1	6
Profit on disposal of investments	(239)	-
Interest received	(229)	(111)
Movement in deferred income	(146)	899
Movement in creditors	(696)	353
Movement in inventories	(22)	-
Movement in debtors	1,816	1,092
Net cash flow from operating activities	**(4,202)**	**1,962**

ANALYSIS OF CHANGES IN NET DEBT	As at 1 September 2023 £'000	Cash-flows £'000	As at 31 August 2024 £'000
Cash	19,448	(14,166)	5,282
Short term deposits included in current asset investments	-	5,943	5,943
Bank charge cards repayment on demand	(33)	2	(31)
	19,415	**(8,221)**	**11,194**

Notes to the financial statements

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General information and basis of preparation

The Ellen MacArthur Foundation is a Charitable Company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as an Educational and Research Charity with the aim to inspire a generation to re-think, redesign, and build a restorative circular economy.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on October 2019, the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £000.

The principal accounting policies are summarised below. The accounting policies have been applied consistently for all years presented unless otherwise stated.

Group accounts

Ellen MacArthur Foundation Trading Limited is a wholly owned UK trading subsidiary. Ellen MacArthur Foundation Inc. (US) and Ellen MacArthur Foundation Brazil are also considered to be subsidiaries, within the requirements outlined in the Charities SORP, because Ellen MacArthur Foundation UK ("EMF UK") has the power to govern financial and operating policies as set out in specific clauses included within each of the Charities constitution documents and, in the event of dissolution, remaining assets will be transferred to EMF UK. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of EMF UK, EMF Inc., and EMF Brazil are identical and the objects of all three organisations are closely matched within each respective memorandum and articles of association thus ensuring that EMF Inc. and EMF Brazil contribute to the aims and purposes of EMF UK and benefits common beneficiaries.

All financial statements are made up to 31 August, and the results are consolidated on a line-by-line basis. All intra-group transactions, balances, and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made on consolidation to bring the accounting policies used into line with those used by other members of the group.

The summary financial information relating to the subsidiary entities are shown in Notes 7 and 12.

Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.
- Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies, and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the charity becomes unconditionally entitled to the grant. Where donations relate to a work programme based on academic years, then receipt in advance is deferred to the appropriate year.
- For donations to be recognised, the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.
- Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.
- Value in Kind commitments on projects is often used as a method to obtain engagement with funding partners on projects, although these are not within the Charity's control, and cannot be verified, and as a result a fair value estimate cannot be determined to be included in the accounts.
- No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).
- Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance.
- Investment income is earned through holding assets for investment purposes such as funds on deposit, shares, and property. It includes interest. It is included when the amount can be measured reliably.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Investments
Fixed and current asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at mid-market value at the end of each period. Changes in value are recognised in net income/(expenditure) for the year.

Transaction costs are expensed as incurred.

Accrued income
The amounts receivable on future dates under signed funding agreements are included in accrued income.

Cash
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 100 days or less, and bank overdrafts.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes activities to seek out and agree terms with major donors, together with the costs of the trading subsidiary, and costs of investment activities;
- Expenditure on charitable activities includes project costs on the charity's various projects as identified in the notes to these accounts; and
- Other expenditure represents those items not falling into the categories above, including governance costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Creditors
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Pension
The Charity has a defined contribution pension scheme for all eligible employees. The assets of the scheme are held separately to the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable for the year.

Support costs allocation
Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Financial assets and liabilities
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial assets (which include debtors and bank and cash balances) and basic financial instruments (which includes creditors) are initially measured at transaction price including transaction costs, and are subsequently carried at amortised cost. Financial assets classified as receivable within one year or financial liabilities classified as payable within one year are not amortised.

Fixed assets and depreciation
Assets costing more than £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment
25% and 33%
Straight line

Furniture and equipment
20% and 25%
Reducing balance

Improvements to leasehold property
10% to 33%
Straight line, over the duration of the lease

Taxation
No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

Foreign currency transactions
Transactions in foreign currencies are translated into Sterling at the average rate prevailing for the month in which they occur. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date.

The results of the US and Brazil sister charities are translated at average rate (income and expenses) and closing rate for the purposes of consolidation.

Judgements and key sources of estimation uncertainty
In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern
The financial statements are prepared on a going concern basis which assumes the charitable group will continue in operational existence for the foreseeable future. The Trustees have reviewed the forecasts and projections prepared by management for a period of at least twelve months from the date of approval of the financial statements and are satisfied that the assumptions used in their preparation are reasonable. Having made enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable group will continue to meet its liabilities as they fall due and accordingly continue to adopt the going concern basis in the preparation of the financial statements.

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted funds	Restricted funds	Total 2023	Total 2022
INCOME AND ENDOWMENTS	**Notes***	**£'000**	**£'000**	**£'000**	**£'000**
Donations and legacies	C	5,928	7,816	13,744	11,555
Charitable activities	D	8	-	8	8
Income from other trading operations	G	6,924	-	6,924	5,825
Investments	E	111	-	111	6
TOTAL INCOME		**12,971**	**7,816**	**20,787**	**17,394**
EXPENDITURE					
Fundraising costs	H	355	-	355	301
Other trading operations	G	5,031	-	5,031	3,258
Charitable activities	H	9,203	6,711	15,914	12,425
Other	H	62	-	62	86
TOTAL EXPENDITURE		**14,651**	**6,711**	**21,362**	**16,070**
NET INCOME/(EXPENDITURE)		**(1,680)**	**1,105**	**(575)**	**1,324**
NET MOVEMENT IN FUNDS		**(1,680)**	**1,105**	**(575)**	**1,324**
RECONCILIATION OF FUNDS **Fund balances as at 1 September 2021**		**17,173**	**5,217**	**22,390**	**21,066**
Fund balances as at 31 August 2023		**15,493**	**6,322**	**21,815**	**22,390**

*Description on Page 73

3. DONATIONS, LEGACIES, AND GRANT INCOME

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
Business	**£'000**	**£'000**	**£'000**	**£'000**
Global partner donations	510	-	510	1,020
Network income	1,350	-	1,350	1,750
Core funding				
Core philanthropic funding	1,600	-	1,600	1,841
Other donations	34	-	34	37
Policy & Institutions				
Specific research projects	465	-	465	781
International outreach	352	940	1,292	1,937
Building Prosperity	-	467	467	400
Initiatives				
Plastics	-	1,289	1,289	4,322
Food	-	-	-	1,656
Content				
Film and media	-	143	143	-
TOTAL GRANTS AND DONATIONS	**4,311**	**2,839**	**7,150**	**13,744**

For details of the grant income and restricted funds, please refer to note 17.
The Foundation seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

COMPARATIVE DONATIONS, LEGACIES, AND GRANT INCOME

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
Learning	**£'000**	**£'000**	**£'000**	**£'000**
The Schmidt-MacArthur Higher Education Programme	-	-	-	425
Business				
Global Partner donations	1,020	-	1,020	3,600
Network income	1,750	-	1,750	900
Core funding				
Core philanthropic funding	1,841	-	1,841	2,114
Other donations	37	-	37	106
Policy & Institutions				
Specific research projects	655	126	781	1,305
International outreach	625	1,312	1,937	1,930
Building Prosperity	-	400	400	-
Initiatives				
Plastics	-	4,322	4,322	25
Fashion	-	-	-	65
Food	-	1,656	1,656	1,112
TOTAL GRANTS AND DONATIONS	**5,928**	**7,816**	**13,744**	**11,555**

For details of the grant income and restricted funds, please refer to note 17.
As part of funding agreements, for many projects, the Foundation seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Rental income	2	-	2	4
Rechargeable items	3	-	3	4
TOTAL OTHER INCOMING RESOURCES	**5**	**-**	**5**	**8**

COMPARATIVE INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Rental income	4	-	4	6
Rechargeable items	4	-	4	2
TOTAL OTHER INCOMING RESOURCES	**8**	**-**	**8**	**8**

5. INTEREST AND INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Bank interest — monies held in interest bearing deposit accounts	229	-	229	111
Gains on disposal of investments	239	-	239	-
TOTAL	**468**	**-**	**468**	**111**

COMPARATIVE INTEREST AND INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Bank interest — monies held in interest bearing deposit accounts	111	-	111	6

6. FINANCIAL PERFORMANCE OF THE CHARITY

The Consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary Ellen MacArthur Foundation Trading Limited and the results of Ellen MacArthur Foundation Inc., which operate events and services for the Charity and clients. The summary financial performance of the Charity alone is:

	2024	2023
	£'000	£'000
Income from donations and legacies	6,798	13,119
Rechargeable items	3	4
Rental income	2	4
Gift Aid donation from subsidiary company	3,042	3,023
Investment income	468	111
TOTAL	**10,313**	**16,261**
Expenditure on charitable activities	(14,494)	(14,831)
Cost of generating funds	(572)	(924)
	(15,066)	**(15,755)**
Net income for the year	(4,753)	506
Total funds brought forward	19,546	19,040
Total funds carried forward	14,793	19,546
Restricted funds	6,886	6,322
Unrestricted general funds	7,907	13,224
TOTAL	**14,793**	**19,546**

7. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

Income from trading subsidiary:
The wholly owned trading subsidiary Ellen MacArthur Foundation Trading Limited is incorporated in England and Wales and pays all of its profits to the Charity by distribution. The company operates events for businesses, publishes books, and undertakes other trading operations. The Charity owns the £1 ordinary share of the company.

	2024	2023
Summary financial performance of the trading subsidiary	**£'000**	**£'000**
Turnover	7,111	7,049
Cost of sales and admin costs	(4,573)	(5,031)
Profit before tax	2,538	2,018
Tax on profits	-	-
PROFIT AFTER TAX	**2,538**	**2,018**
Retained earnings brought forward	2,084	3,089
Distributed to parent during the year	(3,042)	(3,023)
RETAINED IN THE SUBSIDIARY	**1,580**	**2,084**
Assets and liabilities of the subsidiary		
Fixed assets	208	368
Current assets	5,309	6,219
Current liabilities	(3,937)	(4,503)
NET ASSETS	**1,580**	**2,084**

The turnover figure above included intercompany charges of £93,000 (2023 - £125,000) removed on consolidation.

Subsequent to the balance sheet date, a distribution of £1,580,000 was made to the Charity.

These Group accounts also include the results of the US sister Charitable Company Ellen MacArthur Foundation Inc., which for the year generated a deficit of £34,000 (2023: deficit of £66,000) and had reserves carried forward of £238,000 (2023: £204,000).

The Foundation also has a sister charity in Brazil, Ellen MacArthur Foundation Brazil, which for the year generated a surplus of £293,000 (2023 – deficit of £9,000), and has reserves carried forward of £274,000 (2023 – negative reserves £19,000).

8. EXPENDITURE BY ACTIVITY

	Charitable	Support	Other (governance)	Fundraising	Total 2024	Total 2023
Learning	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
The Schmidt-MacArthur Higher Education Programme	-	-	-	-	-	33
Education projects	10	7	-	-	17	1,143
Content	628	101	-	-	729	-
Business						
Global Partners and funding	-	90	-	559	649	543
Policy & Institutions						
Specific research projects	894	144	-	-	1,038	1,705
International outreach	2,097	522	-	-	2,619	3,216
Initiatives						
Plastics	2,104	1,510	-	-	3,614	3,114
Fashion	315	51	-	-	366	959
Food	1,310	540	-	-	1,850	1,472
Finance	228	37	-	-	265	321
Insight & communications	2,765	743	-	-	3,508	3,731
Investment management	-	-	-	13	13	-
Governance						
Audit and accountancy	-	-	55	-	55	62
Settlement agreements	-	-	230	-	230	-
Support allocation	-	46	-	-	46	32
TOTAL	**10,351**	**3,791**	**285**	**572**	**14,999**	**16,331**

	2024	2023
Support costs	**£'000**	**£'000**
Communications and IT	359	244
Design, print, and office costs	25	97
Rent and property costs	287	251
Insurances	48	31
Depreciation	68	69
Professional services and consultancy	1,156	708
Currency translation and finance costs	50	10
Staff costs	1,584	1,297
Travel training and recruitment	214	501
TOTAL	**3,791**	**3,208**

Support costs are allocated to direct projects, firstly on the basis of any agreed project contribution to support costs, and then on the basis of the total resources incurred in each area.

COMPARATIVE EXPENDITURE BY ACTIVITY

	Charitable	Support	Other (governance)	Fundraising	Total 2023	Total 2022
Learning	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
The Schmidt-MacArthur Higher Education Programme	30	3	-	-	33	390
Education projects	767	376	-	-	1,143	1,305
Business						
Global Partners and funding	-	188	-	355	543	371
Policy & Institutions						
Specific research projects	1,165	540	-	-	1,705	1,117
International outreach	3,025	191	-	-	3,216	2,454
Initiatives						
Plastic	2,739	375	-	-	3,114	2,895
Fashion	959	-	-	-	959	1,038
Food	1,373	99	-	-	1,472	599
Finance	210	111	-	-	321	281
Insight & Communications	2,438	1,293	-	-	3,731	2,257
Governance						
Audit and accountancy	-	-	62	-	62	72
Legal and professional	-	-	-	-	-	14
Support allocation	-	32	-	-	32	19
TOTAL	**12,706**	**3,208**	**62**	**355**	**16,331**	**12,812**

9. THE GROUPS OPERATING SURPLUS INCLUDES THE FOLLOWING AMOUNTS

	Group 2024	Group 2023	Charity 2024	Charity 2023
Included in administrative expenses	**£'000**	**£'000**	**£'000**	**£'000**
Auditors remuneration	51	51	33	35
Auditors remuneration in respect of prior years	8	16	1	7
Non-audit services from auditor related firm	16	23	11	17
Non-audit services in respect of prior years	-	7	-	3
Payroll services	9	8	6	6
Depreciation of owned fixed assets	244	298	68	70

10. STAFF COSTS

Staff costs in the Charitable Company and Trading Company were:	2024 £'000	2023 £'000
Wages and salaries	10,185	9,554
Social security costs	868	832
Pension costs	319	282
Redundancy and termination costs	237	-
Other employee benefits	38	38
TOTAL	**11,647**	**10,706**

The Charity and Trading Company have auto-enrolled to meet the requirements of employer pensions. The Charity and Company operates a defined contribution scheme, the assets of which are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund. Amounts owing at the year-end amounted to £51,000 (2023: £67,000) and are included in other creditors.

As at 31 August 2024, the group had a contractual commitment to make a succession-related payment to an employee following the cessation of their employment in April 2025. The total payment due under this commitment is £230,000, payable over a period of seven months following their leaving date. These costs have been accrued into the 2024 financial statements, and are included in the 'succession costs' heading above. The accrual also affects the employee remuneration over £60,000 banding, the key management personnel remuneration, and the employers pension costs as described below.

The average weekly number of employees during the period was as follows:

2024	190	2023	187

Thirty five employees (2023 – Twenty nine) received remuneration in excess of £60,000, and they fell in the bands as follows:

	2024	2023
£60,000 to £70,000	16	13
£70,000 to £80,000	5	3
£80,000 to £90,000	2	2
£90,000 to £100,000	3	4
£100,000 to £110,000	1	4
£110,000 to £120,000	4	1
£130,000 to £140,000	1	-
£140,000 to £150,000	1	1
£150,000 to £160,000	1	-
£230,000 to £240,000	-	1
£420,000 to £430,000	1	-

Payments to Trustees and expenses reimbursed can be seen in note 20 to these accounts.

The payment of gross remuneration to key management personnel during the year was £1,257,000 (2023 - £1,206,000).

Employer's pension costs attributed to employee's who were paid over £60,000 were:

2024	£82,000	2023	£70,000

11. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Improvements to leasehold property	Plant and equipment	Total
Consolidated	**£'000**	**£'000**	**£'000**
Cost at 1 September 2023	1,038	771	1,809
Additions	-	19	19
Disposals	-	(9)	(9)
AT 31 AUGUST 2024	**1,038**	**781**	**1,819**
Depreciation at 1 September 2023	580	530	1,110
Charge for the year	99	145	244
Eliminated on disposal	-	(8)	(8)
AT 31 AUGUST 2024	**679**	**667**	**1,346**
NET BOOK VALUE AT 31 AUGUST 2024	**359**	**114**	**473**
NET BOOK VALUE AT 31 AUGUST 2023	**458**	**241**	**699**

	Improvements to leasehold property	Plant and equipment	Total
Charity	**£'000**	**£'000**	**£'000**
Cost at 1 September 2023	717	129	846
Additions	-	-	-
AT 31 AUGUST 2024	**717**	**129**	**846**
Depreciation at 1 September 2023	401	125	526
Charge for the year	67	1	68
AT 31 AUGUST 2024	**468**	**126**	**594**
NET BOOK VALUE AT 31 AUGUST 2024	**249**	**3**	**252**
NET BOOK VALUE AT 31 AUGUST 2023	**316**	**4**	**320**

12. FIXED ASSET INVESTMENTS

Shares in group undertakings and participating interests

Ellen MacArthur Foundation Trading Limited
The Charitable Company holds 100% of the share capital of the Ellen MacArthur Foundation Trading Limited. This Company is registered in England and Wales (company number 07110767), and provides consultancy services and events for businesses and books and publications. The cost of shares as investment in the charity at 1 September 2023 and 31 August 2024 was £1, and the net book value as at 31 August 2023 and 31 August 2024 was also £1.

EMF Trading USA, Inc.
The Charitable Company holds 100% of the share capital of the EMF Trading USA, Inc. This Company is registered in the State of Delaware, USA, and has been dormant since incorporation on 18 May 2020. The cost of shares as investment in the charity as at 1 September 2023 and 31 August 2024 was £1, and the net book value as at 31 August 2023 and 31 August 2024 was also £1.

EMF USA Inc.
EMF USA Inc is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within the USA.

EMF Brazil
EMF Brasil is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within Brazil.

13. DEBTORS

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£'000	£'000	£'000	£'000
Trade debtors	1,672	1,889	691	865
Other debtors	204	222	199	218
Accrued income	2,799	4,413	2,526	4,109
Prepayments	655	622	152	204
TOTAL	**5,330**	**7,146**	**3,568**	**5,396**

Included in the above figures, for both the Group and Charity, are £500,000 (2023 - £845,000) of debtors that are due after more than 1 year.

14. INVESTMENTS

	Group	Charity
Cost or valuation	**£'000**	**£'000**
At 1 September 2023	-	-
Additions	11,732	11,732
Revaluation	421	421
Movement in cash available for investment	5,761	5,761
Disposals	(7,500)	(7,500)
AT 31 AUGUST 2024	**10,414**	**10,414**

	Group 2024	Group 2023	Charity 2024	Charity 2023
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**
Investments at fair value comprise	4,471	-	4,471	-
UK bonds	5,943	-	5,943	-
CASH AVAILABLE FOR INVESTMENT	**10,414**	**-**	**10,414**	**-**

100% Investment above relates to 'bonds within Schroders' 2023 (£-)

15. CREDITORS

	Group 2024	Group 2023	Charity 2024	Charity 2023
Amounts falling due within one year	**£'000**	**£'000**	**£'000**	**£'000**
Trade creditors — project costs	164	911	101	564
Amounts due to trading subsidiary	-	-	1,112	911
Accruals	710	505	462	204
Other creditors	91	193	82	98
Taxation and social security	(4)	46	-	2
Deferred income	3,676	3,823	-	-
TOTAL	**4,637**	**5,478**	**1,757**	**1,779**

Deferred income arises on contracts received in advance of the various work programmes relating to the 2024/25 financial year which commenced on 1 September 2024. All of the income deferred at 31 August 2023 was taken to the income and expenditure account in the 2024 accounts.

	Group 2024	Group 2023	Charity 2024	Charity 2023
Deferred income	**£'000**	**£'000**	**£'000**	**£'000**
At 1 September 2023	3,823	2,923	-	-
Amounts released to income in the year	(3,823)	(2,923)	-	-
Additions in the year	3,676	3,823	-	-
At 31 August 2024				
Consultancy fees in advance	2,361	2,391	-	-
Fashion	439	621	-	-
Plastic	725	733	-	-
Food	76	78	-	-
Circular Economy 100 fees received	75	-	-	-
AT 31 AUGUST 2024	**3,676**	**3,823**	**-**	**-**

16. UNRESTRICTED FUNDS

		At 1 September 2023	Income received	Fund expenditure	Transfers	At 31 August 2024
	Notes*	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	K	15,493	11,802	(11,773)	(5,524)	9,998
TOTAL		**15,493**	**11,802**	**(11,773)**	**(5,524)**	**9,998**

COMPARATIVE INFORMATION FOR UNRESTRICTED FUNDS

		At 1 September 2022	Income received	Fund expenditure	Transfers	At 31 August 2023
Comparative information	Notes*	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds		17,173	12,971	(14,651)	-	15,493
TOTAL		**17,173**	**12,971**	**(14,651)**	**-**	**15,493**

*Description on Page 73

17. RESTRICTED FUNDS

		At 1 September 2023	Income received	Fund expenditure	Transferred from unrestricted fund	At 31 August 2024
International outreach	**Notes***	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
China	D	1,545	646	(1,332)	-	859
Programmes						
Plastics	E	2,507	1,289	(3,614)	4,879	5,061
Food	G	1,884	-	(1,793)	645	736
Building Prosperity	H	386	467	(775)	-	78
Amazon Project LATAM	I	-	294	(187)	-	107
Film and media	J	-	143	(98)	-	45
TOTAL		**6,322**	**2,839**	**(7,799)**	**5,524**	**6,886**

*Description on Page 73

COMPARATIVE INFORMATION FOR RESTRICTED FUNDS

		At 1 September 2022	Income received	Fund expenditure	Transfers	At 31 August 2023
Learning	**Notes***	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Schmidt-MacArthur Higher Education Programme	A	33	-	(33)	-	-
Policy & Institutions						
MAVA G&C, CE100 and Circular Materials	B,C	175	126	(301)	-	-
China	D	2,011	1,312	(1,778)	-	1,545
Initiatives						
Plastics	E	1,686	4,322	(3,501)	-	2,507
Food	G	1,312	1,656	(1,084)	-	1,884
Building Prosperity	H	-	400	(14)	-	386
TOTAL		**5,217**	**7,816**	**(6,711)**	**-**	**6,322**

*Description on Page 73

Notes

All restricted funds are held within Ellen MacArthur Foundation. As such the consolidated and charity-only restricted funds are one and the same.

(A) The Schmidt-MacArthur Higher Education Programme relates to funding received from the Schmidt Foundation, a US-based Trust, and aims to educate more than one million learners globally. It has been financially supported by the Eric and Wendy Schmidt Fund for Strategic Innovation and was launched in 2019. This programme completed in 2023, so this figure represents a closing balance and is for comparative purposes only.

(B) MAVA G&C – The Government and Cities project relates to funding to advance the engagement of government and cities with circular economy. This programme completed in the financial year of 2023, so this figure represents a closing balance and is for comparative purposes only.

(C) The MAVA Partnership — the Ellen MacArthur Foundation acts as a Partner Organisation to MAVA, providing technical knowledge and strategic advice to identify opportunities for engagement under MAVA's proposed strategy outcomes SE4 'Circular Economy in Europe' and SE5 'Circular Economy for Plastics'. This programme completed in 2023, so this figure represents a closing balance and is for comparative purposes only.

(D) China (MAVA) – MAVA funded a project to mobilise the broader momentum and focus on the circular economy in China, including the growing alignment between the private and public sector on the role the circular economy can play in enabling better forms of economic growth. Following the MAVA China project, which completed in financial year 2022/23, funding for our work in China continued with grants from Hans Wilsdorf Foundation and ClimateWorks Foundation.

(E) The Plastics Initiative (funded — in 2024 — by Eric and Wendy Schmidt Fund for Strategic Innovation) was launched in 2016 to bring together key stakeholders to rethink and redesign the future of plastics, starting with packaging. Phase II launched in 2019 and runs until August 2025. A key component of current work is around the Business Coalition for a Global Plastics Treaty (funded — in 2024 — by Astra Foundation, Erol Foundation, and Fondation Haasteichen) as we look to use the development of a legally binding UN Treaty as a once-in-a-generation opportunity to tackle the plastic pollution crisis in a globally coordinated way.

(G) The Big Food Redesign Challenge (funded — in 2024 — by People's Postcode Lottery, Innovation Trust (Dream Fund), and Gordon & Betty Moore Foundation) was initiated to catalyse innovation and as proof of concept for a new circular design for food framework to support food systems transformation by producing food which is better nature and climate. The Foundation led participants through a supported two year journey which culminated in 141 products from 57 participant companies, demonstrating that food can be redesigned for nature to thrive.

(H) The Building Prosperity report was produced and disseminated to key audiences during the financial year 2023-2024. This work was funded by the European Climate Foundation, Laudes Foundation, and Massellaz SA.

(I) Amazon Project LATAM - The Circular Design for the Amazon project was initiated to explore the role that circular design can play in supporting a standing and regenerated forest. This exploration was funded by Porticus.

(J) Film and Media — production and distribution of three solutions-oriented short films highlighting the circular economy opportunity supported by impact campaigns — one focused on the circular economy and planetary boundaries, and two focused on reuse in relation to plastics and packaging. This work was funded by grants from Constellium Cares and Boomgaard Foundation.

(K) A transfer of £5,524k was made from unrestricted funds to restricted funds. This represents corporate (Network) income received for Plastics (£4,879k) and Food (£645k) programmes, which was initially recognised as unrestricted income but has been internally allocated to these specific programme areas.

18. ANALYSIS OF GROUP NET ASSETS BY FUNDS

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
Consolidated	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets	473	-	473	699
Current assets	14,051	6,997	21,048	26,594
Creditors	(4,526)	(111)	(4,637)	(5,478)
TOTAL	**9,998**	**6,886**	**16,884**	**21,815**
Charity				
Fixed assets	252	-	252	320
Current assets	9,301	6,997	16,298	21,005
Creditors	(1,646)	(111)	(1,757)	(1,779)
TOTAL	**7,907**	**6,886**	**14,793**	**19,546**

COMPARATIVE ANALYSIS OF GROUP AND CHARITY NET ASSETS BY TYPE OF FUND

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
Consolidated	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets	699	-	699	735
Current assets	20,159	6,435	26,594	25,881
Creditors	(5,365)	(113)	(5,478)	(4,226)
TOTAL	**15,493**	**6,322**	**21,815**	**22,390**
Charity				
Fixed assets	320	-	320	382
Current assets	14,570	6,435	21,005	20,227
Creditors	(1,666)	(113)	(1,779)	(1,568)
TOTAL	**13,224**	**6,322**	**19,546**	**19,041**

19. FINANCIAL COMMITMENTS - LEASES

At 31 August 2024 the group had the following minimum lease payments under non-cancellable operating leases, as follows:

	2024 property	2024 other	2023 property	2023 other
Consolidated	**£'000**	**£'000**	**£'000**	**£'000**
Due within 1 year	117	-	159	13
Due between 2-5 years	234	-	290	-
Due after more than 5 years	-	-	46	-
TOTAL	**351**	**-**	**495**	**13**
Charity only				
Due within 1 year	117	-	159	-
Due between 2-5 years	234	-	290	-
Due after more than 5 years	-	-	46	-
TOTAL	**351**	**-**	**495**	**-**

20. RELATED PARTIES

During the year the Charity and Trading Company have occupied offices at an agreed rent, owned by EM (IOW) Ltd, a Company 50% owned by Dame Ellen MacArthur. A charge was made by EM (IOW) Limited for £36,750 (2023 - £36,750) in respect of the office rental, and at the year end £Nil (2023 - £Nil) was outstanding.

During the period a charge was made by EM (IOW) Ltd, a Company where Dame Ellen MacArthur is the Director and 50% shareholder, for £22,500 (2023 - £25,500) in respect of services provided by Dame Ellen MacArthur. This charge is in respect of speakers fees and research, and for work other than that of a Trustee. These services are for work undertaken in accordance with agreements between the two entities and after permission was granted for such charges in 2014 by the Charity Commission.

There was no remuneration paid to Trustees for their services as Trustees (2023 - £Nil). Expenses were reimbursed to two Trustees totaling £6,053 (2023 – two Trustees £483) in respect of home phone expenses and travel. No expenses were incurred on behalf of the Trustees (2023 - £Nil). At the year end, £Nil (2023 - £Nil) was outstanding.

21. CONTROLLING PARTY

The Charity is controlled by the Trustees.

22. FINANCIAL INSTRUMENTS

	2024 Group	2023 Group	2024 Charity	2023 Charity
	£'000	£'000	£'000	£'000
Carrying amount of financial assets: Debt instruments measured at amortised cost	20,371	25,973	16,146	20,800
Carrying amount of financial liabilities: Liabilities measured at amortised cost	(959)	(1,656)	(1,757)	(1,779)
TOTAL	**19,412**	**24,317**	**14,389**	**19,021**

Endnotes

1 Nassar, A. and Saenz, H., The circular transformation of industries: Unlocking economic value, World Economic Forum (2024)

2 United Nations Framework Convention on Climate Change, Synthesis Report on Nationally determined contributions under the Paris Agreement (2022)

3 Ellen MacArthur Foundation Finance Initiative SiFi Tracker (2024)

4 Ellen MacArthur Foundation, The Global Commitment Progress Report (2024)

5 European Commission DG Environment News Alert Service, edited by the Science Communication Unit, The University of the West of England, Bristol, Field to fork: global food miles generate nearly 20% of all CO2 emissions from food (2023)

6 Ellen MacArthur Foundation, Pushing the boundaries of EPR policy for textiles (2024)

7 Ellen MacArthur Foundation, An innovation pathway to decarbonization: circular economy solutions for policymakers and industry in the US (2024)

8 Ellen MacArthur Foundation, The circular economy: a 'triple play' solution for achieving China's climate objectives (2024)

9 Data collected by the Ellen MacArthur Foundation Finance Initiative Tracker (2024). This figure represents an estimate of total capital mobilised towards circular economy by financial institutions, investors, corporates, governments and other public sector bodies though public equity funds, issuance of corporate bonds, private market funds, loans, IPOs, start-up venture funding, corporate investments and public sector spending.

10 Figure based on the Vuelio monitoring system

ELLEN MACARTHUR FOUNDATION

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ELLEN MACARTHUR FOUNDATION

www.ellenmacarthurfoundation.org

Charity Registration No.: 1130306
OSCR Registration No.: SC043120
Company No.: 6897785

ELLEN MACARTHUR FOUNDATION

England & Wales - Charity number 1130306

Accounts

ELLEN MACARTHUR FOUNDATION

The Ellen MacArthur Foundation

Annual Impact Report and Consolidated Accounts

September 2022 to August 2023



Companies House:
06897785

Charity Commission Registration Number:
1130306

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A message from Ellen, Founder and Chair of Trustees

A rising tide

In 2010, we set out to inspire the world to change our wasteful, linear economy. Today, the circular economy is internationally recognised as a framework for building an economy that benefits people, business, and the natural world. The transition is accelerating from commitment to increasing levels of action. We've made remarkable progress.

55% of large businesses have now made circularity commitments, according to 2023 research by Bain. Around the world, the circular economy is a central theme in policy developments: from the EU's Green Deal to Brazil's Ecological Transition Plan, and China's 14th Five Year Plan. Circular economy informs strategy for philanthropists and NGOs. From a niche concept ten years ago, the circular economy has become mainstream.

EMF stands at the centre of this mobilisation. It's testament to the commitment of our partners and dedication of our team that we've made significant progress in driving the circular economy forward over the past year. Many of the businesses in our network are stepping ahead of the market to not only commit to transition to circular business but also measure progress. As we passed the five year milestone for our Global Commitment – the world's largest voluntary effort to tackle plastic waste and pollution, and the cornerstone of our plastics work – we've found that our signatories have significantly outperformed their peers in tackling plastic waste. This has catalysed change far beyond the signatory group, spurring similar action internationally. Together with our involvement in advocacy efforts for the Global Plastics Treaty, **our plastics programme is transforming the industry.**

We're leading similar transformations in the global food and fashion systems. In 2023 we launched a major project, in partnership with the Sustainable Food Trust and the People's Postcode Lottery, to inspire the food industry to design new products that regenerate nature. Through the Big Food Redesign Challenge, we are working with hundreds of large and small food businesses to accelerate the development of nature positive food, bringing many new products to supermarket shelves by 2025. Meanwhile, our fashion programme is tackling disposable fashion at the source. Last year the major brands and retailers participating in our Jeans Redesign project tripled the number of circular products in their collections. Changing how the world's most iconic item of clothing is produced and sold shows that it's possible for circular design to become the norm, and sets an important precedent for the next phase of our work with the wider fashion industry.

Significant progress has also been made in policy. As you'll read, we have continued to shape ambitious and innovative new policy measures in Europe and are working closely with decision makers in North and Latin America, where appetite for a circular economy has stepped up over the past year. Our insights and engagement will guide policy debate and explore how the circular economy can help achieve priority objectives.

These significant strides forward have been made despite the headwinds posed by global economic and geopolitical circumstances. It's a powerful sign that the circular economy is a framework that offers resilience, even in trying conditions.

However, there are huge opportunities yet to be realised. Real and lasting impact is to be made by designing waste out in the first place. We see significant potential in the ability of circular economy principles to regenerate nature: it's estimated that transitioning to a nature-positive economy could generate USD 10 trillion by 2030. **We need to go further, and faster.** The Ellen MacArthur Foundation has a clear role to play and we are aligning our capacities and capabilities in order to maximise our future impact. Building on our strong track record, we will continue to lead and encourage global systems change.

If we get this right, and we innovate and we are creative, we can build an economy which can thrive and which can run forever.



Trustees' and strategic report

Since its establishment in 2010, the Foundation has played a leading global role in the development and promotion of the idea of a circular economy, and in many ways has been instrumental in getting the topic squarely on the agenda of leading businesses and governments around the world. In the early years, EMF was one of the few voices active in this space but this has now clearly changed. Today there is extraordinary momentum behind the idea, with many thousands of businesses, universities, researchers, schools, and governments around the world actively engaged and working on the topic to make it a mainstream reality. It's not only encouraging to see this huge growth in awareness and engagement, but it is also clear that the concept is becoming better understood, with more organisations focusing increasingly on up-stream design, business model transformation, collaboration, and - crucially -enabling policies that will support adoption of innovative solutions, and level the playing field for all business.

Over the past year in particular we have also seen a growing appreciation of the role and impact of a circular economy on critical agendas such as climate change, nature regeneration, economic and societal resilience, and on better forms of economic value creation. Our leading partners have made substantial progress across many fronts, and leading governments and key organisation are clearly stepping up, raising their ambition and delivering impact across many fronts as highlighted in this annual report. Importantly EMF has taken stock and recast its strategy to 2030, aiming to build on the Foundations assets, strengths and relationships, recognising the current realities of the world and the fact that much more needs to be done, faster. And through this process has recommitted to its vision and mission, to accelerate the transition to a circular economy

Andrew Morlet
CEO, Ellen MacArthur Foundation



Focusing our efforts

The circular economy landscape is developing rapidly. This year we undertook a strategic review as we orientate towards 2030. Our strategy 2030 – to be launched in 2024 – is the result of extensive consultation with internal and external experts and will enable us to build on our strengths and accelerate action. It's clear that **we have a strong and effective approach: with a concerted, collective effort, we are demonstrating that it is possible to shift business practice from linear to circular.** We estimate that our Network alone has already saved 225m tonnes of virgin material, inspiring a wave of further savings across the world. By 2030, our Network could save up to 1.8 billion tonnes, equivalent to three times today's global production of every single piece of plastics, clothing, and consumer electronics. The wider impact will be much more significant. Measuring and moulding this broader impact represents one of our key challenges; we have dedicated resource to developing our circular economy metrics and measurement.

Our focus at the business-policy interface is getting strong results. Industry has the power to influence global economic practice and drive political momentum towards the circular economy. By the same token, circular cues from policymakers give businesses the confidence to invest in circular developments. Our plastics work has reinforced the fact that voluntary business action that complements long-term policy change will remain vital to drive progress.

Our agile philosophy allows us to adapt to opportunities as they arise. For example, in 2023 we directed significant resources to advocating for a strong, ambitious Treaty, in partnership with WWF. This once-in-a-generation opportunity could generate substantial change at a system level. Similarly, the partnership we formed with WRAP will drive the Plastics Pacts forward. Collaborating with organisations well-positioned to drive specific agendas maximises both our impact and resources. We're delighted to be standing shoulder to shoulder with some of the most respected and influential NGOs in the field.

We are confident that our suite of programmes has the greatest potential to lead systemic change. Circular business models for fashion – which include resale, rental, repairs, and remaking – could lead to an overall CO_2e emission reduction of 16% and be worth USD 700 billion in additional revenue by 2030. Applying the circular economy to plastics could generate USD 2 billion savings and create 700,000 jobs. Shifting towards a circular food system has the potential to address a third of the world's GHG emissions and halve the negative impacts on farm-level biodiversity. Redesigning the built environment according to circular principles could reduce global CO_2 emissions from building materials by 38% in 2050. By demonstrating real-world action in these key material streams, we're setting a powerful blueprint for system change in all sectors.

We work globally, with offices in key regions: Europe is the world's largest trading bloc and driving an advanced circular economy agenda. The USA is the world's largest economy. Latin America is the most biodiverse region on the planet and the changing political context offers new opportunities. China produces 28% of the world's manufacturing as well as 26% of the world's emissions. By seeding change in these regions, we can have a much broader impact.

We have adapted to changes in philanthropic funding. While we've maintained strong relationships with key funding partners, the philanthropic funding landscape has changed in the wake of the pandemic. We adapted to this change in 2023, engaging with a wider range of funders while continuing to build substantial partnerships. In the longer term, this depth of funding sources will reduce risk in our funding pipeline.

We've invested in these efforts from our reserves in order to maintain critical momentum. We stand at a vital juncture in the transition. The circular economy has risen on agendas and action is building, through a period of global economic changes. Investing in both our strategic direction and our people ensures that we remain fit to drive the transition at pace.

The Ellen MacArthur Foundation has a clear role to play. We've got the platform to lead the normalisation of the circular economy. Bolstering our philanthropic relationships has secured ongoing funding for our mission, while our network of partners is more engaged than ever. By working together, we can transform our take-make-waste system into one that can replenish and regenerate our world.

The Trustees present their report and the audited financial statements on behalf of the Charity, its trading subsidiaries, and international sister charities for the year ended 31 August 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing their annual report and financial statements of the Charity and the Trustees' Report contains the information required in a Directors Report as set out in English company

How we work

What we do

Our purpose

The Ellen MacArthur Foundation exists to build a better future – one built on an economy that benefits people, businesses, and the natural world. By redesigning how we make, grow, and use things, we can tackle some of the biggest global challenges, from climate change to biodiversity loss.

Our vision

A thriving economic system designed to eliminate waste and pollution, circulate products and materials (at their highest value), and regenerate nature. A system that delivers better outcomes for people, and the environment.

Our mission

To accelerate the transition to a circular economy.

In our current economy, we take materials from the Earth, make products from them, and eventually throw them away as waste. The process is linear and contributes to global challenges such as climate change, pollution, and biodiversity loss. We're tackling these challenges by promoting and mobilising the transition to a circular economy.

In a circular economy, products and materials are kept in circulation for as long as possible at their highest value, creating an economic system where nothing becomes waste. Increasingly built on renewable energy and materials, our vision is that a circular economy is distributed, diverse, and inclusive. To create it, we must transform every element of our take-make-waste system: how we manage resources, how we make and use products, and what we do with the materials afterwards.

The circular economy is based on three principles, driven by design:



Eliminate waste and pollution



Circulate products and materials



Regenerate nature

To achieve the transition to a circular economy, we need to engage all parts of the system. We bring together industry leading corporations, emerging innovators, affiliate networks, government authorities, regions, cities and more. We unite them behind a shared direction of travel and equipping them with the tools needed to mobilise change. By creating evidence-based original research on the benefits of a circular economy and exploring opportunities across stakeholders and sectors, we provide tools that help shape the debate, set effective policies, find new ways to do business, and design better products.

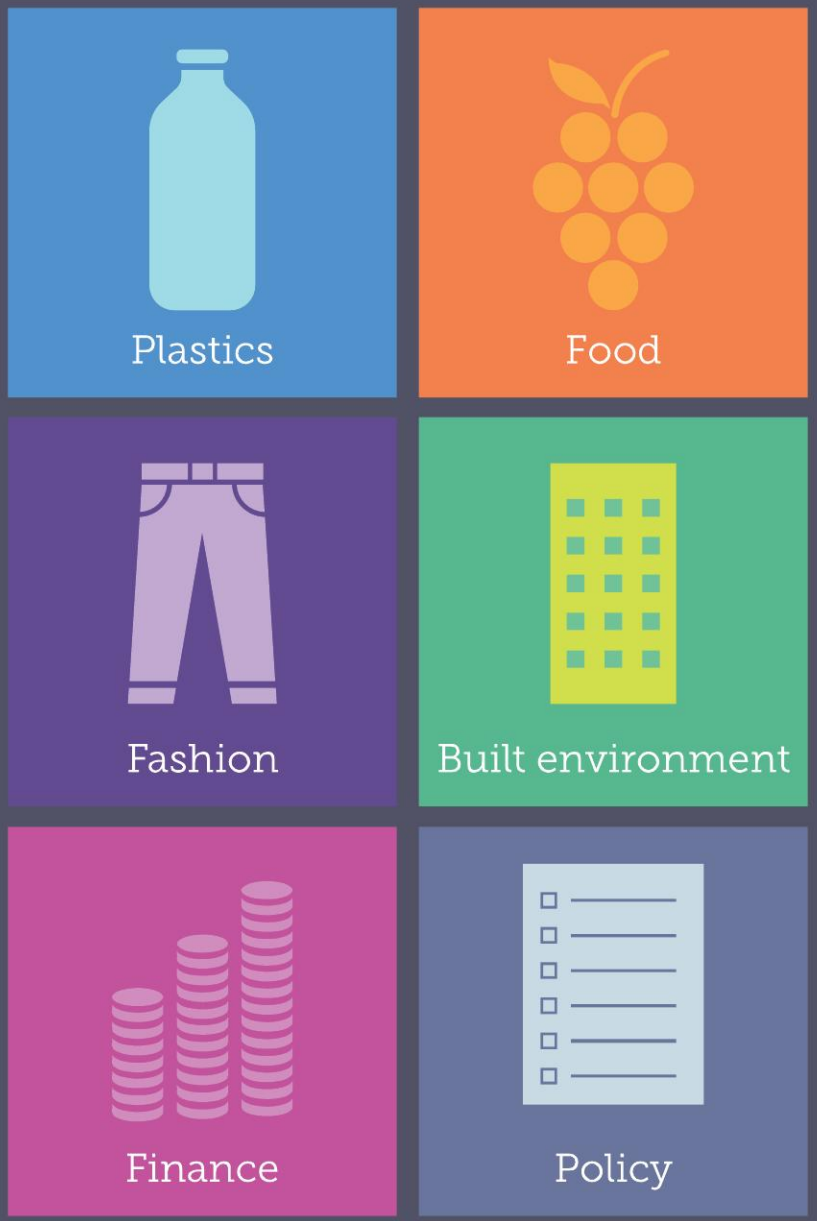
The challenges we face are too big for any one company to tackle alone, so we know collaboration is key. Members of our Network can have open discussions with counterparts they'd never normally speak to, share experiences, stretch their thinking, and push their ambition. Alongside, we orchestrate real-world action to prove that change is possible.

We choose to engage the current system to drive change quickly. Businesses play a crucial role, and though they can be part of the problem, they also need to be part of the solution. Our efforts to mobilise this change are focused in the sectors where we believe we can have the biggest influence on systems change.

How it benefits the public

A circular economy is an economy that works for all. It's a system that can create lasting balance between people, prosperity, and planetary boundaries. The circular economy can create jobs, build resilience, contribute to a just transition, progress the UN's Sustainable Development Goals, and decouple economic growth from resource use and environmental impact. We believe by orchestrating system change in the economy, we can help create a thriving world for the long-term.

Our efforts to mobilise this change are focused in the sectors where we believe we can have the biggest impact on material flows:



In numbers

225
million tonnes
estimated virgin material saved by the EMF Network alone, inspiring a wave of further savings across the world

1.8
billion tonnes
estimated potential savings by 2030, equivalent to the weight of **3 x times** today's global production of every single piece of plastic, clothing, and consumer electronics



20,000+
articles featuring EMF, a 100% year-on-year increase. Coverage in 100 countries and more than 50 languages shows we're reaching a broad audience.



1.5
trillion
bottles
estimated virgin plastic savings that the Global Commitment will generate between 2025 and 2030

2.5
million tonnes
of GHG emissions avoided by Global Commitment signatories per year, equivalent to eliminating the carbon emissions of a city of 500,000 people



USD
10
billion
mobilised by the Global Commitment towards achieving plastics goals

Half a million
engaged members of our digital communities, each a potential changemaker to accelerate the transition at all levels of the economy

Top 5%



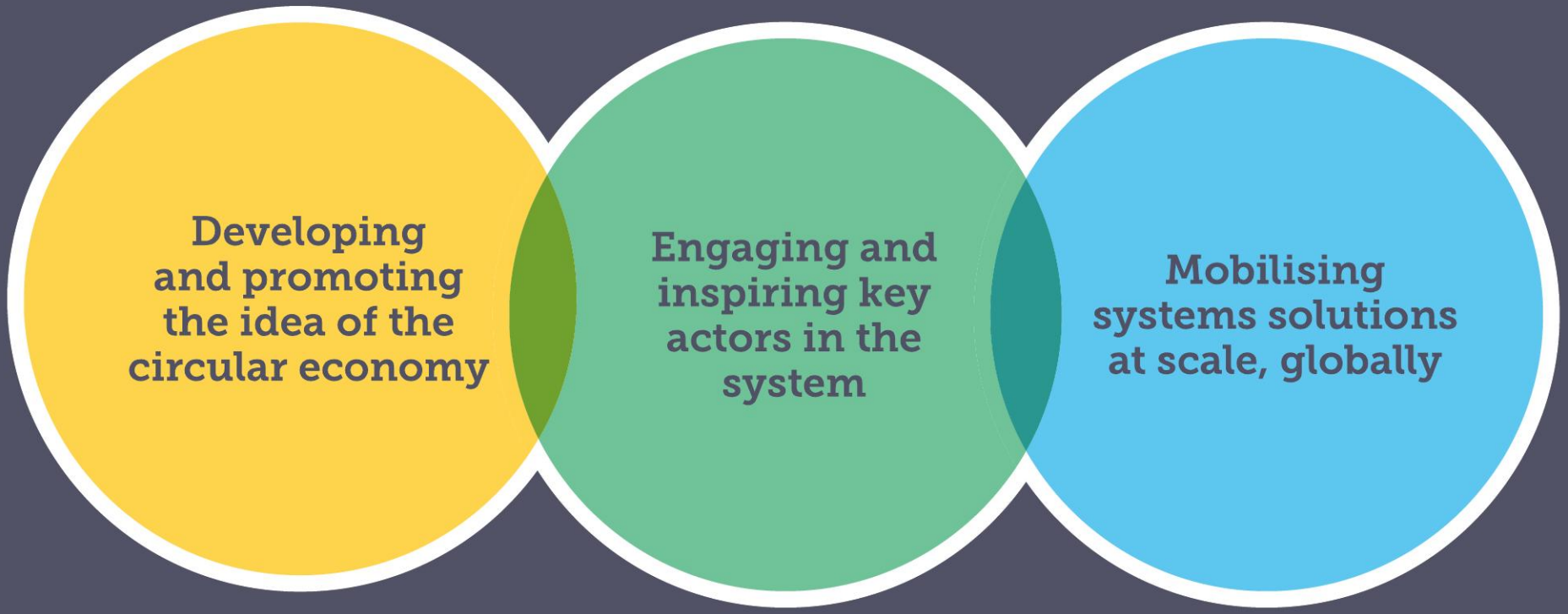
the Circular Economy Show podcast's position in global download charts

USD
333
billion
capital mobilised for circular economy initiatives by September 2023

Our impact

Our work during 2022-23 has been focused on our 2025 strategy, through which we aim to create unstoppable momentum for the circular economy. What does unstoppable momentum mean? That rapidly growing levels of circular economy understanding, commitment, and action by key actors in the global economy make us confident that the circular economy is on an upwards trajectory which has effectively become unstoppable. At the same time, we have been laying the groundwork for our focus to 2030, which you'll learn more about later in the report.

This strategy has three pillars:



Develop and promote

Taking the circular economy mainstream

Thought leadership

By researching and widely sharing robust, evidence-based economic analysis, we can stimulate new and better solutions at scale and speed. In 2023 we continued to shape thinking, adding to our body of research with a series of reports and white papers. For example, our study on reuse – Unlocking a reuse revolution: scaling returnable packaging – showed businesses that the economics can work, and collaboration is key. We know that moving from single-use to reuse models presents one of the biggest opportunities to reduce plastic pollution and this study sharpened business focus on how to put it into action. Our white paper on Extended Producer Responsibility (EPR) for textiles applied a circular economy lens to the European policy debate, resulting in a more ambitious Commission proposal, harmonising and effectively mandating EPR regulations for textiles across the EU.

Working with changemakers at the highest levels has enabled us to steer the conversation and embed critical circular principles into the thinking of leading decision makers. For example, by facilitating the formal knowledge exchange between the EU and China, we are cross-pollinating best practice between two major industrial regions.

Reaching more people than ever

Implementing the circular economy requires fresh thinking, innovation, and creativity. To share the various solutions with a full range of stakeholders and inspire them to action, we provide compelling learning tools, use creative campaigns, and harness inspirational storytelling to bring the transition to life. Our following grew steadily across all our digital channels, including a 45% increase in Instagram followers. We have been adapting and testing our communications strategy for maximum impact, with a focus on solutions and storytelling.

Across the world, media articles mentioning the Ellen MacArthur Foundation doubled to more than 20,000, and the Circular Economy Show Podcast rose to the top 5% of podcasts downloaded globally, winning it a nomination for a Lovie Award. Raising awareness of the circular economy and using creative communications to contextualise the opportunities is building momentum for the transition.







Engage and inspire

Galvanising a powerful group of actors

Engaging stakeholders

Global problems require global solutions. Our network of stakeholders has expanded and strengthened, in both the public and private sectors. In the past year we gained particular traction with new political audiences. For example, we were invited to support the White House's Office of Science and Technology Policy to explore how circular economy innovation can drive progress on the Administration's industrial decarbonization agenda. This signals the White House's increasing interest in the circular economy. In addition, our insights on cities are helping to create policies that will enable the circular economy to scale. Through collaborative reports such as the 2023 European Circular Cities Declaration Report, we are providing decision makers with solutions and real-life examples of how cities and local neighbourhoods are integrating circular strategies into climate action plans.

Inspiring climate action

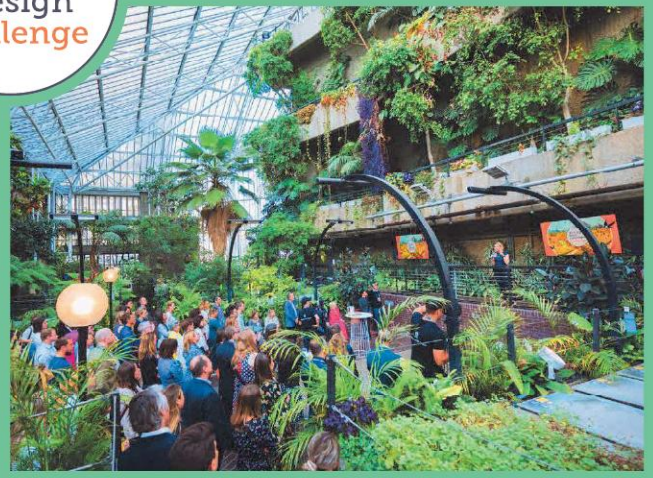
To fix the climate, we need to fix the economy. Awareness of the circular economy as a tool in the fight against climate change is rising: 27% of Nationally Determined Contributions (the climate action plans to cut emissions required by the Paris Agreement) now explicitly mention circular strategies. Our insights are contributing to this heightened awareness.

Last year we published groundbreaking new research in China which linked the circular economy to the country's carbon and climate ambitions for the first time. Key messages are now being quoted at the highest levels and integrated into national plans. This is an important development as there is no credible pathway to net zero without action in China, the world's largest emitter of CO_2 emissions.

We're also inspiring on-the-ground climate action. For example, by challenging big food players to redesign their food products through the Big Food Redesign Challenge see below), we can have a major impact on emissions: a circular economy for food could cut emissions by 49% in 2050. Changing our food system to one based on the principles of the circular economy is one of the most powerful things we can do to tackle climate change and build biodiversity.



The big food redesign challenge



Mobilise action

Calling changemakers to action

Shifting the needle on plastic pollution

The work of our Plastics Initiative is setting a radical approach for how to change a system. Our five year review of the Global Commitment found that signatories have significantly outperformed the rest of the industry over the last five years. They have reduced their use of several plastic items commonly identified as problematic or avoidable; stabilised their use of virgin plastics – avoiding nearly three million tonnes of virgin plastics production a year compared to business as usual; and more than doubled their share of recycled content. The latter achievement is avoiding more than two million tonnes of greenhouse gas emissions per year and keeping one barrel of oil in the ground every two seconds.

The launch of the Business Coalition for a Global Plastics Treaty united more than 150 leading businesses and NGOs in calling for a strong and ambitious agreement. We have simultaneously seized the opportunity to engage and inform key countries in the process. Negotiations for a UN Treaty to end plastic pollution – currently underway – present a once-in-a-generation opportunity to harmonise policy on plastics to provide truly global action.

Working with business to transform the economy

Business has an extraordinary potential to influence the global economy at scale and speed. This year we have continued to cultivate innovation and cooperation among leading industry players.

Redesigning food for nature to thrive
Our Big Food Redesign Challenge aims to catalyse and inspire the food industry to regenerate nature by applying the principles of circular design to food. Launched in London in May 2023, and designed in partnership with the Sustainable Food Trust and our retail partner Waitrose, the Challenge will put nature-positive food on supermarket shelves by 2025.

Demonstrating what is possible in fashion
Through our Jeans Redesign project we have inspired leading brands, mills, and manufacturers to transform the way they design and make jeans. The Insights Report published in 2023 demonstrated that circular design can become the norm in the fashion industry: more than 100 organisations from 25 countries have redesigned jeans in line with circular economy principles. Proving concepts in this way can have far reaching effects: learnings from this project is helping to shape China National Textile and Apparel Council's roadmap for the denim industry.

Creating the world's biggest database of circular economy start-ups
We compiled and launched the Circular Startup Index, home to more than 750 examples from 63 countries. It has created unprecedented visibility of the landscape and is already being used to inform innovation and investment pipelines of major global corporations, international banks, and sustainability investors. Directing finance towards circular businesses is critical to scaling a circular economy.



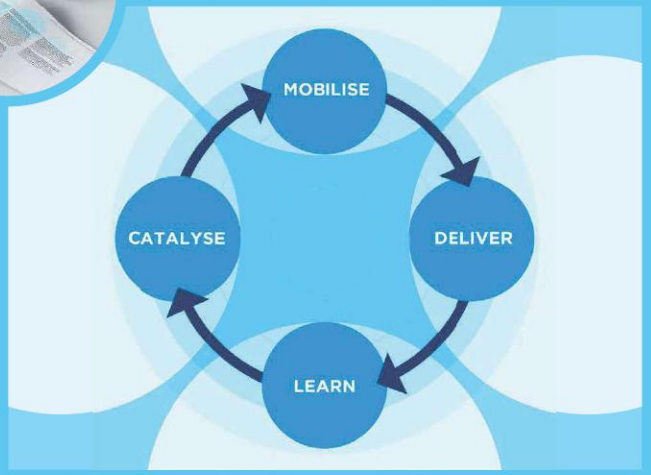
Mobilise action

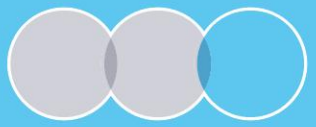
As countries embark on negotiations towards a global instrument to end plastic pollution, the global commitment provides an important framework to help accelerate action on combating plastic pollution.

Inger Andersen
Executive Director,
United Nations Environment Programme









Mobilise action

Influencing international policy developments

Global problems require global solutions. In North America, our team is connecting the circular economy to the industrial decarbonisation conversation, which has become a central pillar of the USA's climate response. In Latin America, we are shining a light on the potential of this region to become a hub for climate solutions and innovation that can regenerate one of the most important regions in the world in terms of natural capital and biodiversity. Our work in China, the world's largest plastics producer, has intensified and we are contributing to the country's policy development.

A step change in Latin America
Our relationship with the new Brazilian administration has advanced the circular economy agenda in Latin America as a pillar of the new Ecological Transition Plan. Further opportunity lies in 2023's historic move as the Belém Declaration, agreed to by all nine Amazonian countries, linked the circular economy to the creation of regenerative food systems necessary to protect the Amazon.

Shaping EU Policy
Our Brussels team maintains its long standing relationship with the European administration and our insights frequently inform policy developments. This year we helped to shape the Ecodesign for Sustainable Products regulation, which will encourage the creation of more circular products in the EU, and EPR for textiles, which will see EPR regulations for textiles rolled out across the bloc.

> **We cannot get to net zero without the principles of a circular economy, period.**

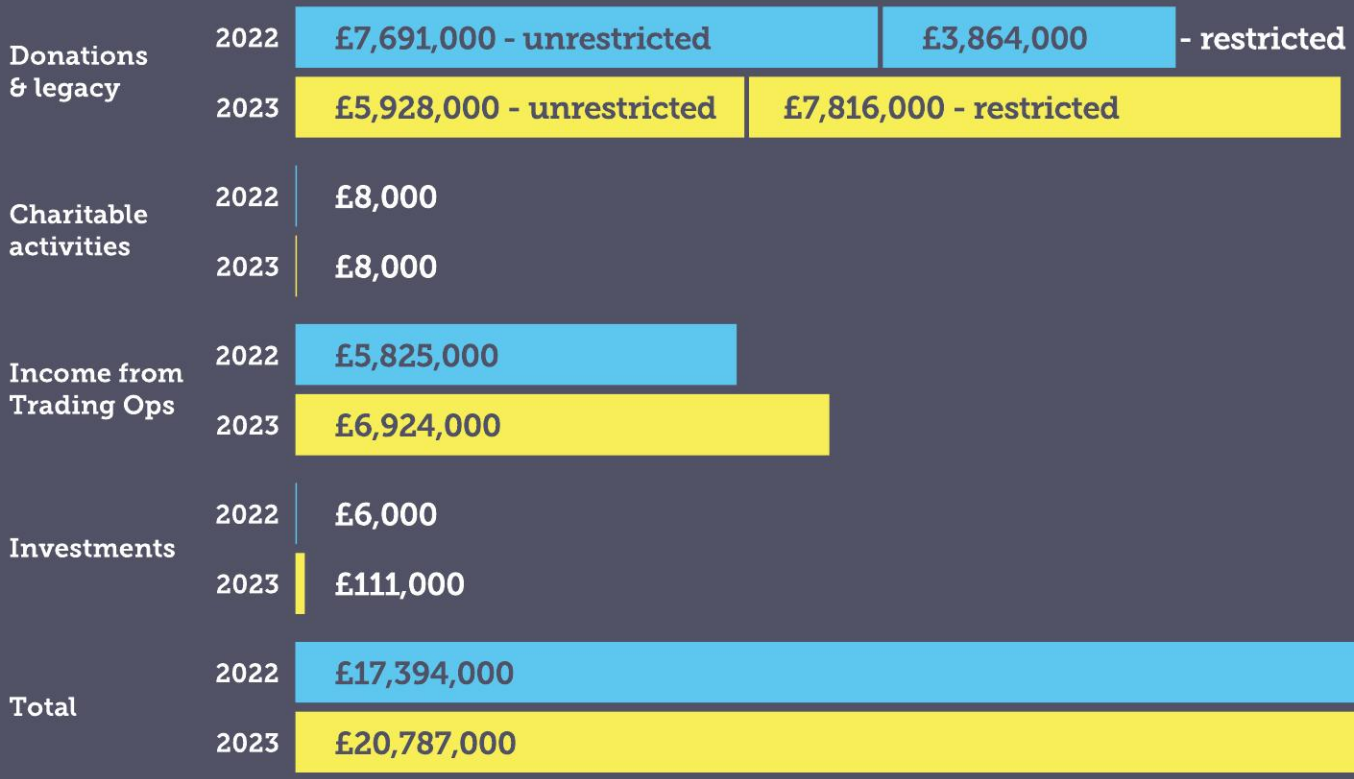
Costa Samaras
White House Office Of Science And Technology Policy

Financial position

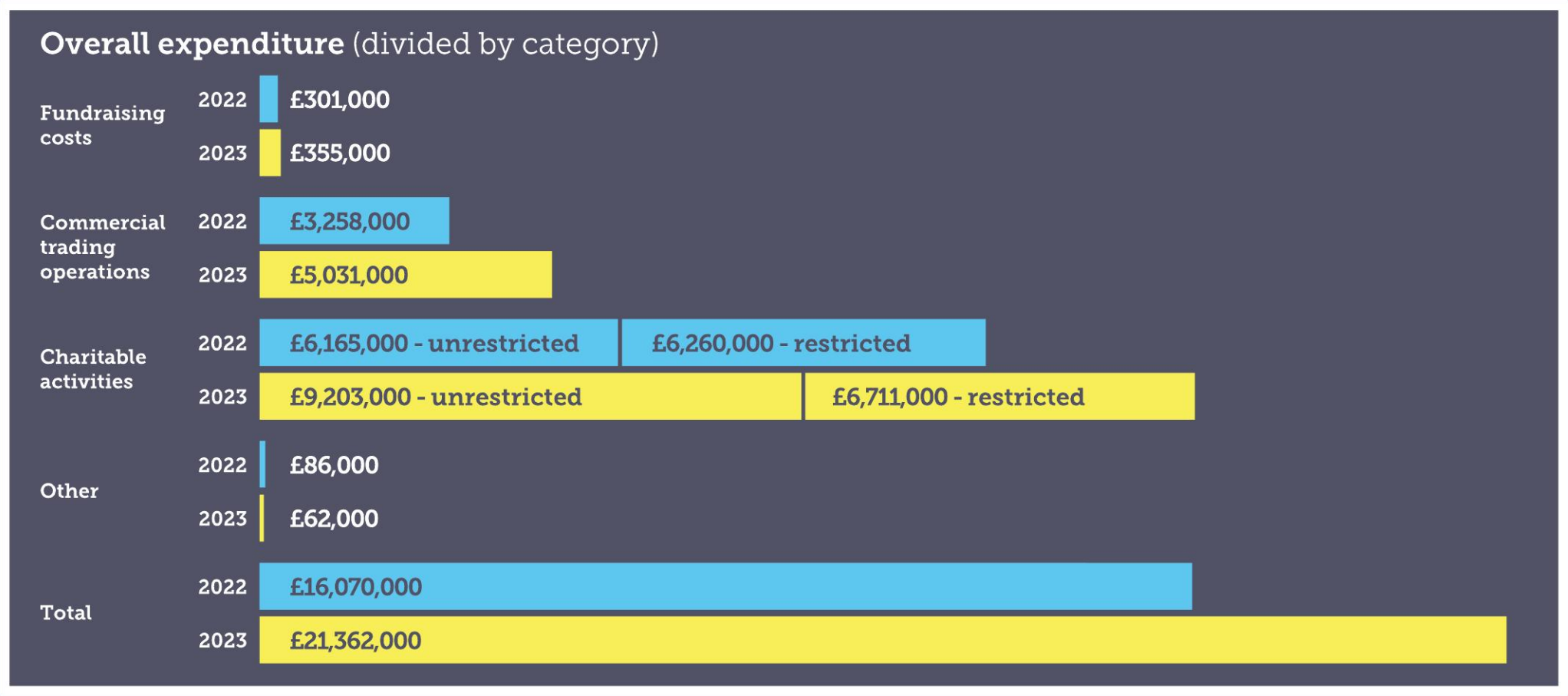
Total income compared to budget'



Income by category



Financial position



Funding model

EMF's income is broadly split between philanthropic and corporate donations. We have a trading subsidiary for our corporate membership income and associated operating costs. This allows us to work closely with the most influential businesses while maintaining our independence. Independence allows us to set ambitious targets and provides the neutrality required to be trusted as a thought-leader in international spaces, such as the G7 and G20. No funding is proactively generated from the general public. The Trustees monitor fundraising activities.

From the philanthropic community, the Charity receives both unrestricted (core) and project funding. We continue to seek opportunities to increase core and project funding from individual donors, trusts, and grant-awarding bodies.

Income

In 2022-23, we redoubled our fundraising efforts and increased our long-term funder commitments, establishing relationships with four aligned new funders (Astra Foundation, Gordon and Betty Moore Foundation, Hans Wilsdorf Foundation, and ClimateWorks) that have a systems change agenda. As a result, income from donations grew from £11.5m to £13.7m, an increase of 19% on the previous financial year. Philanthropic donations account for 47% of income received during the year. Going into 2024, we are building further relationships with additional philanthropic partners, which we believe will deliver critical funding to our mission as the circular economy gathers momentum.

Our corporate funding slightly decreased from £10.4m to £10.2m. We currently have more than 200 organisations in our Network at different levels of engagement, including members, partners, and strategic partners, and across different industries and geographies, building depth and resilience. No single company contributes more than 4% of our revenue, and most less than 2%. New strategic partners this year include Amazon and Waterbear, and we have recommitted to partnerships with businesses including Danone, Unilever, and BlackRock.

Expenditure

Total expenditure in the year was £21.4m, an increase of 33% on the previous financial year. Expenditure increased as we doubled down on our critical plastics and food agendas, plotted a course to 2030, and responded to the opportunity presented by negotiations for a Global Plastics Treaty. Increases were also driven primarily by general inflationary pressures, and salary adjustments following our 2022 benchmarking review in collaboration with HR consultants, Mercer.

Throughout the year we have also focused on increasing the value we bring to our network so that they are able to build ambition and increase action for the circular economy – including investment in digital capacity, face-to-face events, and circular economy metrics.

Higher fundraising costs underline the challenging philanthropic and corporate landscapes but provided a return on investment through increased revenues and a reinforced funder pipeline. The investments in the past year will improve our ability to raise funds in future years and strengthen our funding pipeline.

We have strengthened our cost control and monitoring processes and are reviewing our income generation plan in line with Strategy 2030. Budgets have been set with realistic income goals for the next 3 years, anticipating the same level of funding as this year, and prioritising our spend to create the most impact across our strategic aims.

Reserves

The Trustees ensure the overall health of the Charity by requiring its free reserves (the sums retained to withstand any short-term financial risk, excluding fixed assets) to be closely monitored, on an annual basis. The policy agreed by the Board is to hold 6-9 months of free reserves available, which in financial terms is between £5.8m-£8.7m. The Charity remains a dynamic organisation, which has seen rapid growth of activities and the interest these stir. This level of reserves is therefore considered sufficient to unwind the ongoing commitments to projects and the financial obligations from contracts in place.

At the last year end, the Board took the decision to use excess reserves (accumulated due to reduced activity during Covid) to enable a deficit budget for 2023 in order to support current critical work while we reviewed our strategy and organisational structure. The Group remains vigilant to ensuring funding is in place to undertake future projects and operations and we have set realistic income targets in our 3 year plan to operate within the reserves policy.

At 31st August 2023 the Group had Unrestricted Funds of £15,493,000. After designating funds of £4,499,000 for specific projects (Plastics and Food), removing Fixed assets (£699,000) and Accrued Income (£4,413,000), free reserves stood at £5,882,000 (2022: £8,573,000). This level of reserves represents 6 months of operating costs and is therefore in line with the policy.

Investments

The objective of the Charity's investment policy is to preserve and, if possible, enhance the real value of its assets by keeping an appropriate balance between maximising long-term returns while avoiding undue risk and volatility in capital values. The Charity currently invests in interest bearing cash deposits with its bank. These readily realisable investments are reported within the total Cash and Cash Equivalents on the Balance Sheet. Investment gains were £111,000 (2022: £6,000), the increase is due to using higher interest rate savings and deposit accounts with our current bankers and taking advantage of the increased Bank of England rates. However, the current investment approach is being reviewed in order to consider potential to improve management of the Charity's assets, taking into account risk, return, and ethical imperatives. To that end, the Charity has assessed potential investment managers to work with and is aiming to engage these services in the near future.

Key risks

The Trustees monitor and manage risks by way of a risk register presented twice per year. It is compiled internally under the leadership of the CEO and COO, and kept up to date as risks change to ensure those risks are recognised and receive appropriate Trustee focus. The risk register identifies the most significant risks, their mitigations and internal responsibilities for risk management. Risks are managed on a day-to-day basis by the Executive Leadership Team and Leadership Team, whose members have individual and/or collective delegated responsibilities for given matters.

The key current risks being carefully and actively managed, but not perceived to carry high significance, are:

1. Threats to income and capital, and changing global and national economic challenges

2. Threats to reputation, or challenges to mission and concept, or misuse of brand

3. Threats to operations, including attraction and retention of people as a result of multiple factors including cost-of-living increases and working (office/location) arrangements.

We are mitigating these risks by:

1. Carefully monitoring the economic landscape, increasing financial controls, robust planning, and continued evolution in our approach to philanthropic and corporate funding

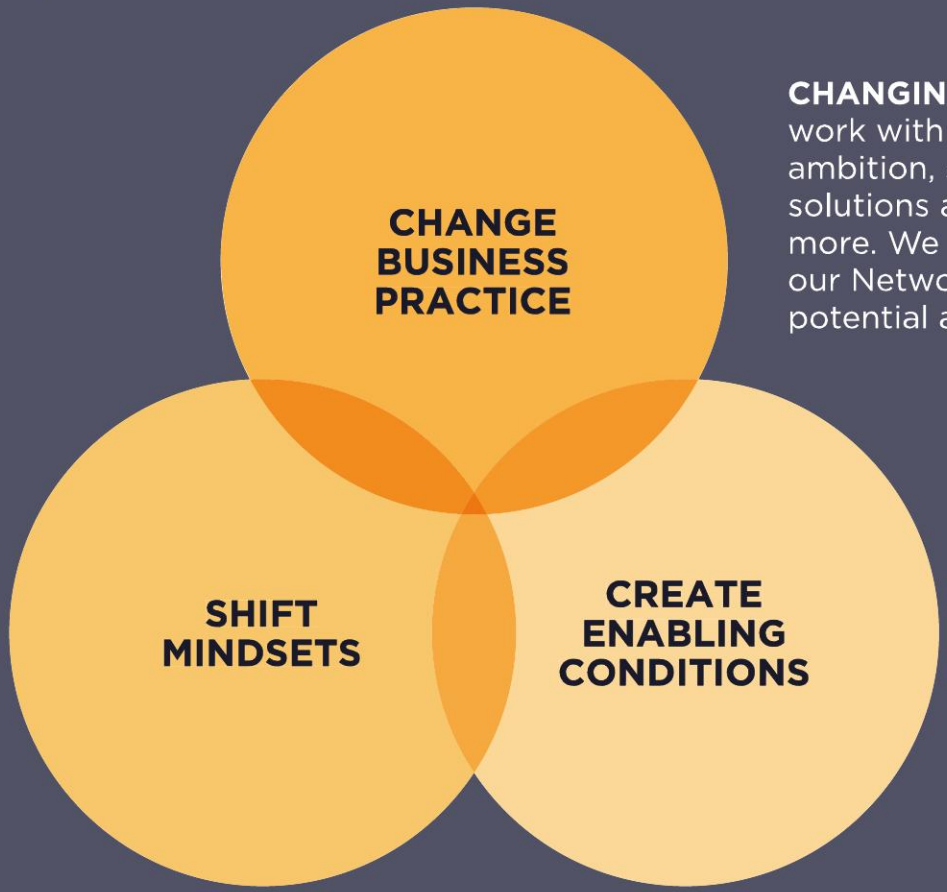
2. Doubling down on our communication efforts to accurately convey the circular economy, restating the economic rationale, demonstrating clear solutions activation, conducting careful due diligence of our partners, and increasing our branding efforts

3. Adapting and monitoring our location strategy, increasing provisions for remote working, and continuing to offer attractive employment packages, including formal career pathways and succession planning.

Our strategic ambitions

Last year we revised and updated our strategy to take us to 2030.

Going forward, we have three strategic objectives:



CHANGING BUSINESS PRACTICE
work with industry to increase ambition, scale proven circular solutions and innovate to find more. We will continue to impel our Network to achieve their full potential and inspire others.

SHIFTING MINDSETS
create inspirational and evidence-based messaging, storytelling and campaigns to illuminate the economic – as well as environmental – advantages of nature-positive regenerative business practices.

CREATING ENABLING CONDITIONS
support policymakers to create policy that effectively addresses barriers to the transition, makes the economics work, and mobilises finance.

1,3,7

Momentum is building, but we need to go further and faster. This year we conducted a comprehensive strategic review, evolving our strategic approach to maximise our influence and impact for the next five years. This evolution reflects the current circular economy context and plays to the EMF's key strengths. Our ambition through to 2030 is to lead action through our network and normalise the circular economy as a systems solutions framework.

To do this, we will focus our efforts on changing business practice, where we will work to increase ambition, support leading businesses in their transformation, advance capabilities, catalyse solutions demonstration, and measure progress. To stimulate the enabling conditions for business transformation, we will inform policy to address barriers and level the playing field, establish reference metrics, and mobilise finance. By delivering ambitious campaigns that show the potential and progress of the circular economy as a solution to many global challenges, we will cultivate a mindset shift that will accelerate the transition.

Together with our partners, we will:



Drive progress in plastics

We will accelerate voluntary business action to minimise plastic pollution through our Global Commitment, and continue to inform and shape the ongoing negotiation for a Global Plastics Treaty. Working simultaneously on both fronts will be critical to bring about the change in business practice needed to tackle the plastic problem. We have identified reuse, flexible plastics, and collection infrastructure as pivotal hurdles to overcome.



Catalyse change in the food system

Our food innovation challenge will put nature-positive food on supermarket shelves in 2025. This will raise awareness of the opportunities in redesigning food, and inspire further action in the wider industry.



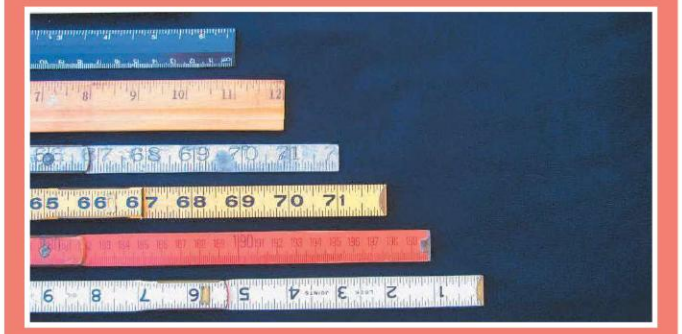
Underline the business case

Building on our extensive body of research demonstrating the economic opportunity of a circular economy, this year we will launch a new study restating the compelling business case for transitioning to a nature-positive circular economy. This study will focus on the built environment as a critical example of the opportunities.



Inform ambitious, binding policy

We will work with influential policymakers to ensure a deep understanding of the circular economy opportunity so that it remains central to policy development. Through high-level advocacy with key decision makers, sharing our evidence-based insights, and joining the dots between the circular economy and pertinent national priorities, we will help to set the enabling conditions that smooth the way for the circular economy.



Measure progress

In the fast evolving and maturing landscape of reporting, measurement, and disclosure standards, we will continue to inform important emerging circular economy metrics.



Harness the power of storytelling

As part of our communications strategy, we will expand our focus on storytelling to span different formats through which we can share solutions with different stakeholders: a Strategic Partnership with WaterBear will allow us to harness short films to inspire new and broader audiences.

Together, we can build a circular economy that replenishes and regenerates our world.



Structure, governance and management

The Ellen MacArthur Foundation (EMF) was registered as a charity in England and Wales on 7 May 2009, and is governed by a Memorandum and Articles of Association dated 3 July 2013.

The Charity is formed as a Company Limited by Guarantee, registered in England, and governed by its Articles of Association. The Company has no share capital although the subscribers of the Memorandum are obliged to pay the sum not exceeding £1 in the event of a winding up of the Charitable Company. The Charity is registered with the Charity Commission for England and Wales, with the Office of the Scottish Charity Regulator under number SC043120 and from 1 January 2018 as an ANBI (Algemeen Nut Beogende Instelling) in the Netherlands.

Charity number: 1130306
Scottish Charity Register number: SC043120
ANBI RSIN number (Netherlands): 8257 45 925
Registered company number: 06897785

Charitable objects

"to promote for the benefit of the public of the conservation, protection and improvement of the physical and natural environment and the prudent use of natural resources; and to advance the education of the public in the conservation, protection and improvement of the physical and natural environment and to promote study and research in such subjects for the public benefit and disseminate the useful results"

Board of Trustees

The charity is overseen in the UK by a Trustee Board, which carries ultimate responsibility for management and administration, and which provides oversight and guidance on strategy, governance, finance, and operations. The Board meets a minimum of three times per year. The trustees are independent – not affiliated with funders or Network members – unpaid, and their overriding purpose is to protect and support the charity and its mission. Trustees are appointed by agreement of the existing Board of Trustees and provided with an induction and training process. They must have specific skills or knowledge in a sector beneficial to the Charity and its charitable objectives. For example, the current board comprises expertise in sustainability, media, law, technology and finance.

Dame Ellen MacArthur (Chair/Trustee)
Peter Morgan (Director/Trustee)
Philip Sellwood (Director/Trustee)
Michael Lebovitz (Director/Trustee)
Hema Patel (Director/Trustee)
Joanne Bootle (Company Secretary)

Executive Leadership Team

Day-to-day executive management of EMF UK lies with the Executive Leadership Team (ELT), which is responsible for formulation and management of strategy and priorities, and operational systems and processes. The Trustee Board has also delegated specific functions and powers to members of the ELT and other relevant offices.

Andrew Morlet (CEO)
Joanne Bootle (COO)
Jocelyn Bleriot (Executive Lead - Policy)
Joe Murphy (Executive Lead - Business Network)
Jon Ely (Executive Lead - International and Philanthropy)
Rob Opsomer (Executive Lead - Plastics and Finance)

The ELT group meets monthly and is supported by a team of functional leads, who run the specific programmes and activities of the charity. Both leadership groups have clear terms of reference that are accessible to all on the EMF's intranet.

The ELT also sponsors a number of cross-functional working groups that develop and propose solutions to key challenges and opportunities. These include a Portfolio Management Group that evaluates the Charity's portfolio of projects to ensure that they align with the overarching strategy and mission, and that the delivery of these projects is feasible and managed sustainably for the team, within proposed timelines.

Subsidiaries and Branches

As a charity with the global mission, The Ellen MacArthur Foundation forms an umbrella organisation for efforts in strategic geographies.

Branches:

Ellen MacArthur Foundation (UK) Beijing Representative Office
Registered in 2022 with the Public Security Bureau as an international non-governmental organisation (INGO), under the authority of the Ministry of Ecology and Environment of China. This branch enables us to directly connect with stakeholders in China. Registration certificate number: No.00005014; Unified social credit code/tax code: G1110000MCW006869N.

Subsideries:

Ellen MacArthur Foundation USA, Inc.
Incorporated as a Nonstock Exempt Corporation in 2015 to interpret and deliver our mission in North America.

Ellen MacArthur Foundation Brasil
Established in 2017 to manage our Latin American outreach, registered as a non-profit civil association.

Ellen MacArthur Foundation Trading Ltd. ('EMF Trading')
EMF Trading is registered in England and provides business services relating to the circular economy to the Charity's business network - Strategic Partners, Partners and Members - donating its profits to the Charity to further its work. It has three directors: Ellen MacArthur, Jocelyn Bleriot, and Andrew Morlet.

EMF Trading (USA), Inc
Registered in Delaware in April 2020, and is currently inactive.

Professional service providers

Accountants:
Moore (South) Isle of Wight
9 St John's Place, Newport, PO30 1LH

Bankers:
Lloyds TSB
30 Commercial Road, Totton, Southampton, SO40 3TH

Auditors:
Moore Kingston Smith LLP
Floor 6, 9 Appold Street, London, EC2A 2AP

Contact
The Ellen MacArthur Foundation
The Sail Loft, 42 Medina Road, Cowes, PO31 7BX
01983 296463
info@ellenmacarthurfoundation.org
www.ellenmacarthurfoundation.org

Statement of responsibility of the Trustees

The Trustees are responsible for their annual report and the preparation of financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. In the preparation of those financial statements, the Trustees are required to:

- Select suitable accounting policies and ensure they are applied consistently.
- Make judgements and estimates that are reasonable and prudent.
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006 and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They also have responsibility for ensuring that the Charity has appropriate systems and controls (financial and otherwise) and that reasonable steps are taken for safeguarding the assets of the Charity and for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors
So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

In approving the Trustees Annual Report, we also approve the Strategic Report included therein, in our capacity as Company directors.

Approved and Signed on behalf of the Board of Trustees:



Dame Ellen MacArthur

Dated: 21 May 2024

Remuneration

Our pay and benefit principles:

- Equitable
- Market-informed
- Personal
- Differentiated
- Transparent
- Well-governed
- Sustainable

In 2022 we conducted an organisation-wide salary review, in conjunction with global HR consultancy, Mercer. Through this process, all roles were graded and mapped onto 7 bands. Salaries are benchmarked for each role against commercial organisations, and overall benefits packages – including flexible working – are fully articulated. Work to complete this banding adjustment continued through 2023, and salary reviews are now conducted annually using Mercer market data, in line with a regular performance review process.

The Executive Leadership Team is responsible for considering, agreeing, and overseeing the overall remuneration philosophy and policy of the Foundation. The People Lead holds overall accountability and ownership for pay and benefits and provides oversight of remuneration decisions and recommendations. Country Leads share this responsibility within their jurisdictions to account for regional variations. Recommendations for salary changes are evaluated against internal considerations (organisation structure, competencies, performance, affordability) and external factors (market benchmarks, cost of living assessments).

Any CEO and COO salary adjustments and bonuses are discussed and agreed by the Trustees.

Our approach to ethical fundraising

We carefully vet our philanthropic partners to ensure value and mission alignment, and work to build long-term partnerships with organisations that understand system change. We only accept donations from philanthropic organisations that are aligned with our mission and follow a robust due diligence process prior to accepting any funds. We have established policies to help ensure we comply with the law, ethical standards and best practice, and help us protect our reputation – for example our Conflicts of Interest Policy explains how we identify and prevent conflicts of interest and our Counterparty Diligence Policy sets out the process for carrying out due diligence in order to assess and manage potential counterparty risks. We have never received any formal complaints in relation to our fundraising practices.

Independent Auditors' Report to the Members of the Ellen MacArthur Foundation

Opinion
We have audited the financial statements of the Ellen Macarthur Foundation which comprise the Group and Parent and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 trustees' 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 group's and parent charitable 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 trustees 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 trustees are responsible for the other information contained in 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.

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 course of 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 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's 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.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees 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 trustees 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 group and parent 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 group or parent 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
We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:
We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP Date: 22 May 2024

Samir Chandoo (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Financial statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2023

		Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
INCOME AND ENDOWMENTS FROM:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Donations and legacies	3	5,928	7,816	13,744	11,555
Charitable activities	4	8	-	8	8
Income from other trading operations	7	6,924	-	6,924	5,825
Investments	5	111	-	111	6
TOTAL INCOME		**12,971**	**7,816**	**20,787**	**17,394**
EXPENDITURE ON:					
Fundraising costs	8	355	-	355	301
Commercial trading operations	7	5,031	-	5,031	3,258
Charitable activities	8	9,203	6,711	15,914	12,425
Other	8	62	-	62	86
TOTAL EXPENDITURE		**14,651**	**6,711**	**21,362**	**16,070**
NET INCOME/(EXPENDITURE)		**(1,680)**	**1,105**	**(575)**	**1,324**
NET MOVEMENT IN FUNDS		**(1,680)**	**1,105**	**(575)**	**1,324**
RECONCILIATION OF FUNDS Fund balances as at 1 September 2022		**17,173**	**5,217**	**22,390**	**21,066**
Fund balances as at 31 August 2023		**15,493**	**6,322**	**21,815**	**22,390**

The Statement of Financial Activities includes all gains and losses in the period.
All incoming resources and resources expended derive from continuing activities.
A full comparative statement of financial activities is shown in note 2.

CONSOLIDATED AND CHARITY BALANCE SHEET

At 31 August 2023

		Group 2023	Group 2022	Charity 2023	Charity 2022
FIXED ASSETS	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Tangible fixed assets	11	699	735	320	382
Fixed asset investment	12	-	-	-	-
		699	735	320	382
CURRENT ASSETS	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Debtors	13	7,146	8,238	5.396	6,724
Cash at bank and in hand		19,448	17,643	15,609	13,503
		26,594	25,881	21,005	20,227
CREDITORS	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Amounts falling due within one year	14	(5,478)	(4,226)	(1,779)	(1,568)
NET CURRENT ASSETS		**21,116**	**21,655**	**19,226**	**18,659**
TOTAL NET ASSETS		**21,815**	**22,390**	**19,546**	**19,041**
FUNDS	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Unrestricted funds Unrestricted general funds	15	15,493	17,173	13,224	13,824
Designated fund	15	-	-	-	-
		15,493	17,173	13,224	13,824
Restricted funds	16	6,322	5,217	6,322	5,217
TOTAL FUNDS		21,815	22,390	19,546	19,041

The financial statements on pages 29 to 60 were approved by the Board of Trustees and signed on its behalf by:

Dame Ellen MacArthur  **Dated:** 21 May 2024 **Company Registration Number: 06897785**

The notes on pages 33 to 60 form an integral part of these financial statements

STATEMENT OF CASH FLOWS

Year ended 31 August 2023

		Group 2023	Group 2022
CASH FLOW FROM OPERATING ACTIVITIES	**Notes**	**£'000**	**£'000**
Cash flow from investing activities	(below)	1,962	(417)
Payments to acquire tangible fixed assets		(268)	(180)
Interest received		111	6
NET CASH FLOW FROM INVESTING ACTIVITIES		**(157)**	**(174)**
Net (decrease)/increase in cash and cash equivalents		1,805	(591)
Cash equivalents at 1 September 2022		17,643	18,234
CASH EQUIVALENTS AT 31 AUGUST 2023		**19,448**	**17,643**
Cash and cash equivalents consists of:			
Cash at bank and in hand		19,448	17,643
CASH EQUIVALENTS AT 31 AUGUST 2023		**19,448**	**17,643**

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:	Notes	2023 £'000	2022 £'000
Surplus for the year		(575)	1,324
Depreciation		298	195
Loss on disposal of fixed assets		6	1
Interest received		(111)	(6)
Movement in deferred income		899	122
Movement in creditors		353	188
Movement in debtors		1,092	(2,241)
Net cash flow from operating activities		1,962	(417)

ANALYSIS OF CHANGES IN NET DEBT	As at 1 September 2022 £'000	Cash-flows £'000	As at 31 Ausgust 2023 £'000
Cash	17,643	1,805	19,448
Bank charge cards repayment on demand	(67)	34	(33)
	17,576	**1,839**	**19,415**

Notes to the financial statements

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General information and basis of preparation
The Ellen MacArthur Foundation is a charitable company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as an Educational and Research Charity with the aim to inspire a generation to re-think, redesign and build a restorative circular economy.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on October 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group accounts
Ellen MacArthur Foundation Trading Limited is a wholly owned UK trading subsidiary. Ellen MacArthur Foundation Inc. (US) and Ellen MacArthur Foundation Brazil are also considered to be subsidiaries, within the requirements outlined in the Charities SORP, because Ellen MacArthur Foundation UK ("EMF UK") has the power to govern financial and operating policies as set out in specific clauses included within each of the charities constitution documents and, in the event of dissolution, remaining assets will be transferred to EMF UK. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of EMF UK, EMF Inc and EMF Brazil are identical and the objects of all three organisations are closely matched within each respective memorandum and articles of association thus ensuring that EMF Inc and EMF Brazil contribute to the aims and purposes of EMF UK and benefits common beneficiaries.

All financial statements are made up to 31 August, and the results are consolidated on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made on consolidation to bring the accounting policies used into line with those used by other members of the group.

The summary financial information relating to the subsidiary entities are shown in Notes 7 and 12.

Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where donations relate to a work programme based on academic years, then receipt in advance is deferred to the appropriate year.
- For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.
- Income recognition (continuDonated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example: the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure;
- Value in Kind commitments on projects is often used as a method to obtain engagement with funding partners on projects, although these are not within the Charity's control, and cannot be verified, and as a result a fair value estimate cannot be determined to be included in the accounts.

- No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).
- Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Investment income is earned through holding assets for investment purposes such as funds on deposit, shares and property. It includes interest. It is included when the amount can be measured reliably.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Accrued income
The amounts receivable on future dates under signed funding agreements are included in accrued income

Cash
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 100 days or less, and bank overdrafts.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes activities to seek out and agree terms with major donors, together with the costs of the trading subsidiary;
- Expenditure on charitable activities includes project costs on the charity's various projects as identified in the notes to these accounts; and
- Other expenditure represents those items not falling into the categories above including governance costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Creditors
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Pension
The charity has a defined contribution pension scheme for all eligible employees. The assets of the scheme are held separately to the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable for the year.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Financial assets and liabilities
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial assets (which include debtors and bank and cash balances) and basic financial instruments (which includes creditors) are initially measured at transaction price including transaction costs, and are subsequently carried at amortised cost. Financial assets classified as receivable within one year or financial liabilities classified as payable within one year are not amortised.

Fixed Assets and Depreciation
Assets costing more than £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Computer equipment 25% and 33% Straight line
- Furniture and equipment 20% and 25% Reducing balance
- Improvements to leasehold property 10% to 33% Straight line, over the duration of the lease

Taxation
No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

Foreign Currency Transactions
Transactions in foreign currencies are translated into Sterling at the average rate prevailing for the month in which they occur. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date.

The results of the US and Brazil sister charities are translated at average rate (income and expenses) and closing rate for the purposes of Consolidation.

Judgements and key sources of estimation uncertainty
In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern
The financial statements are prepared on a going concern basis which assumes the charitable group will continue in operational existence for the foreseeable future. The trustees have reviewed the forecasts and projections prepared by management for a period of at least twelve months from the date of approval of the financial statements and are satisfied that the assumptions used in their preparation are reasonable. Having made enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group will continue to meet its liabilities as they fall due and accordingly continue to adopt the going concern basis in the preparation of the financial statements.

2. Comparative statement of financial activities

		Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
INCOME AND ENDOWMENTS FROM:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Donations and legacies	3	7,691	3,864	11,555	13,263
Charitable activities	4	8	-	8	10
Income from other trading operations	7	5,825	-	5,825	4,651
Investments	5	6	-	6	4
Other income		-	-	-	2
TOTAL INCOME		**13,530**	**3,864**	**17,394**	**17,930**
EXPENDITURE ON:					
Fundraising costs	8	301	-	301	151
Other trading operations	7	3,258	-	3,258	2,762
Charitable activities	8	6,165	6,260	12,425	11,630
Other	8	86	-	86	80
TOTAL EXPENDITURE		**9,810**	**6,260**	**16,070**	**14,623**
NET INCOME/(EXPENDITURE)		**3,720**	**(2,396)**	**1,324**	**3,307**
Transfers between funds		**(221)**	**221**	**-**	**-**
NET MOVEMENT IN FUNDS		**3,499**	**(2,175)**	**1,324**	**3,307**
RECONCILIATION OF FUNDS **Fund balances as at 1 September 2021**		**13,674**	**7,392**	**21,066**	**17,759**
Fund balances as at 31 August 2023		**17,173**	**5,217**	**22,390**	**21,066**

3. Donations, legacies and grant income

		Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
Learning:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
The Schmidt-MacArthur HE Programme		-	-	-	425
Business:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Global Partner Donations		1,020	-	1,020	3,600
Network income		1,750	-	1,750	900
Core funding:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Core Philanthropic Funding		1,841	-	1,841	2,114
Other donations		37	-	37	106
Institutions, Governments and Cities:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Specific Research Projects		655	126	781	1,305
International Outreach		625	1,312	1,937	1,930
Building Prosperity		-	400	400	-
Systemic Initiatives:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
New Plastics Economy Initiative		-	4,322	4,322	25
Make Fashion Circular		-	-	-	65
Cities and Circular Economy for Food		-	1,656	1,656	1,112
TOTAL GRANTS AND DONATIONS		**5,928**	**7,816**	**13,744**	**11,555**

For details of the grant income and restricted funds, please refer to note 16.
As part of funding agreements, for many projects, EMF seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

Comparative Donations, Legacies and grant income

		Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Learning:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
The Schmidt-MacArthur HE Programme		-	425	425	646
Business:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Global Partner Donations		3,600	-	3,600	1,085
Network income		900	-	900	1,350
Core funding:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Core Philanthropic Funding		2,114	-	2,114	1,570
People Postcode Lottery		-	-	-	2,019
Other donations		106	-	106	124
Institutions, Governments and Cities:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Specific Research Projects		833	472	1,305	1,036
International Outreach		138	1,765	1,903	2,189
Systemic Initiatives:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
New Plastics Economy Initiative		-	25	25	2,991
Make Fashion Circular		-	65	65	-
Cities and Circular Economy for Food		-	1,112	1,112	253
TOTAL GRANTS AND DONATIONS		**7,691**	**3,864**	**11,555**	**13,263**

For details of the grant income and restricted funds, please refer to note 16. As part of funding agreements, for many projects, EMF seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

Peoples Postcode Lottery

Comparative Donations, Legacies and grant income

		2022	2021
The net lottery income proceeds received are analysed as follows:	**Notes**	**£'000**	**£'000**
Ticket value		-	6,311
Prize fund		-	(2,524)
Management fee		-	(1,768)
NET LOTTERY INCOME IN THE YEAR		**-**	**2,019**

4. Income from charitable activities

		Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Rental income		4	-	4	6
Rechargeable items		4	-	4	2
TOTAL OTHER INCOMING RESOURCES		**8**	**-**	**8**	**8**

		Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Comparative Income from Charitable Activities	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Rental income		6	-	6	3
Rechargeable items		2	-	2	7
TOTAL OTHER INCOMING RESOURCES		**8**	**-**	**8**	**10**

5. Interest and investment income

		Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	Notes	£'000	£'000	£'000	£'000
Bank interest – monies held in interest bearing deposit accounts		111	-	111	6

		Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Comparative Interest and Investment Income	Notes	£'000	£'000	£'000	£'000
Bank interest – monies held in interest bearing deposit accounts		6	-	6	4

6. Financial performance of the charity

The Consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary Ellen MacArthur Foundation Trading Limited and the results of Ellen MacArthur Foundation Inc., which operate events and services for the Charity and clients. The summary financial performance of the Charity alone is:

		2023	2022
	Notes	£'000	£'000
Income from donations and legacies		13,119	11,417
Rechargeable items		4	2
Rental Income		4	6
Gift aid donation from subsidiary company		3,023	1,746
Other income		-	-
Investment income		111	6
TOTAL		**16,261**	**13,177**
Expenditure on charitable activities		(14,831)	(12,224)
Cost of generating funds		(924)	(301)
		(15,755)	(12,525)
Net income for the year		506	652
Total funds brought forward		19,040	18,388
Total funds carried forward		19,546	19,040
Restricted funds		6,322	5,217
Unrestricted general funds		13,224	13,823
TOTAL		**19,546**	**19,040**

7. Incoming resources from activities for generating funds

Income from Trading Subsidiary:
The wholly owned trading subsidiary Ellen MacArthur Foundation Trading Limited is incorporated in England and Wales and pays all of its profits to the Charity by distribution. The company operates events for businesses, publishes books, and undertakes other trading operations. The Charity owns the £1 ordinary share of the company.

		2023	2022
The summary financial performance of the subsidiary above is:	**Notes**	**£'000**	**£'000**
Turnover		7,049	5,972
Cost of sales and admin costs		(5,031)	(3,258)
Profit before tax		2,018	2,714
Tax on profits		-	-
PROFIT AFTER TAX		**2,018**	**2,714**
Retained earning as previously reported		3,089	1,746
Prior year adjustment		-	375
AS RESTATED		**3,089**	**2,121**
Distributed to parent during the year		(3,023)	(1,746)
RETAINED IN THE SUBSIDIARY		**2,084**	**3,089**
The assets and liabilities of the subsidiary were:			
Fixed assets		368	346
Current assets		6,219	6,172
Current liabilities		(4,503)	(3,429)
NET ASSETS		**2,084**	**3,089**

The turnover figure above included intercompany charges of £125,000 (2022 - £147,000) removed on consolidation.

Subsequent to the balance sheet date a distribution of £2,042,000 was made to the Charity.

These Group accounts also include the results of the US sister charitable company Ellen MacArthur Foundation Inc., which for the year generated a deficit of £66,000 (2022: deficit of £287,000) and had reserves carried forward of £204,000 (2022: £270,000).

EMF also has a sister charity in Brazil, Ellen MacArthur Foundation Brazil, which for the year generated a deficit of £9,000 (2022 – deficit of £10,000), and has negative reserves carried forward of £19,000 (2022 – negative reserves £10,000).

8. Expenditure by activity

	Charitable	Support	Other (Governance)	Fundraising	Total 2023	Total 2022
Learning:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
The Schmidt-MacArthur HE Programme	30	3	-	-	33	390
Education Projects	767	376	-	-	1,143	1,305
Business:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Global Partners and Funding	-	188	-	355	543	371
Institutions, Governments and Cities:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Specific Research Projects	1,165	540	-	-	1,705	1,117
International Outreach	3,025	191	-	-	3,216	2,454
Systemic Initiatives:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
New Plastics Economy Initiative	2,739	375	-	-	3,114	2,895
Make Fashion Circular	959	-	-	-	959	1,038
Cities and Circular Economy For Food	1,373	99	-	-	1,472	599
Finance	210	111	-	-	321	281
Insight & Communications:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Insight & Communications	2,438	1,293	-	-	3,731	2,257
Governance:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Audit and accountancy	-	-	62	-	62	72
Legal and professional	-	-	-	-	-	14
Support allocation	-	32	-	-	32	19
TOTAL	**12,706**	**3,208**	**62**	**355**	**16,331**	**12,812**

Support costs are made up as follows:	Notes	2023 £'000	2022 £'000
Communications and IT		244	224
Design, print and office costs		97	39
Rent, and property costs		251	275
Insurances		31	24
Depreciation		69	70
Professional services and consultancy		708	254
Currency translation and finance costs		10	(7)
Staff costs		1,297	346
Travel training and recruitment		501	265
TOTAL		**3,208**	**1,490**

Support costs are allocated to direct projects, firstly on the basis of any agreed project contribution to support costs, and then on the basis of the total resources incurred in each area.

Comparative Expenditure by Activity

	Charitable	Support	Other (Governance)	Fundraising	Total 2022	Total 2021
Learning:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
The Schmidt-MacArthur HE Programme	355	35	-	-	390	645
Education Projects	1,086	219	-	-	1,305	727
Business:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Global Partners and Funding	-	70	-	301	371	172
Institutions, Governments and Cities:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Specific Research Projects	962	155	-	-	1,117	973
International Outreach	2,305	149	-	-	2,454	2,065
Systemic Initiatives:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
New Plastics Economy Initiative	2,585	310	-	-	2,895	2,630
Make Fashion Circular	1,036	2	-	-	1,038	1,541
Cities and Circular Economy For Food	545	54	-	-	599	1,113
Finance	228	53	-	-	281	190
Insight & Communications:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Insight & Communications	1,833	424	-	-	2,257	1,714
Governance:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Audit and accountancy	-	-	72	-	72	55
Legal and professional	-	-	14	-	14	25
Support allocation	-	19	-	-	19	11
TOTAL	**10,935**	**1,490**	**86**	**301**	**12,812**	**11,861**

9. The groups operating surplus includes the following amounts

		Group 2023	Group 2022	Charity 2023	Charity 2022
Included in administrative expenses are the following amounts:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Auditors remuneration		51	34	35	27
Auditors remuneration in respect of prior years		16	14	7	16
Non-audit services from auditor related firm		23	18	17	14
Non-audit services in respect of prior years		7	14	3	9
Payroll services		8	8	6	6
Taxation services		-	-	-	-
Depreciation of owned fixed assets		298	195	70	70

10. Staff costs

Staff costs in the Charitable Company and Trading Company were:	Notes	2023 £'000	2022 £'000
Wages and salaries		9,554	7,894
Social Security costs		832	708
Pension costs		282	233
Other Employee Benefits		38	19
TOTAL		**10,706**	**8,854**

The Charity and Trading Company have auto-enrolled to meet the requirements of employer pensions. The Charity and Company operates a defined contribution scheme, the assets of which are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund. Amounts owing at the year-end amounted to £67,000 (2022: £53,000) and are included in other creditors.

	2023	2022
The average weekly number of employees during the period was as follows:	187	174

Twenty-nine employees (2022 – Eighteen) received remuneration in excess of £60,000, and they fell in the bands as follows:

	2023	2022
£60,000 to £70,000	13	3
£70,000 to £80,000	3	4
£80,000 to £90,000	2	5
£90,000 to £100,000	4	1
£100,000 to £110,000	4	2
£110,000 to £120,000	1	-
£130,000 to £140,000	-	1
£140,000 to £150,000	1	-
£150,000 to £160,000	-	1
£210,000 to £220,000	-	1
£230,000 to £240,000	1	-

Payments to Trustees and expenses reimbursed can be seen in note 19 to these accounts.

The payment of gross remuneration to Senior Management Personnel during the year was £1,206,000 (2022 - £1,087,000).

		2023	2022
	Notes	£'000	£'000
Employer's pension costs attributed to employee's who were paid over £60,000 were:		70	43

11. Tangible fixed assets – group and charity

		Improvements to Leasehold Property	Plant and Equipment	Totsl
Consolidated:	**Notes**	**£'000**	**£'000**	**£'000**
Cost at 1 September 2022		1,019	549	1,568
Additions		19	249	268
Disposals		-	(27)	(27)
AT 31 AUGUST 2023		**1,038**	**771**	**1,809**
Depreciation at 1 September 2022		481	352	833
Charge for the year		99	199	298
Eliminated on disposal		-	(21)	(21)
AT 31 AUGUST 2023		**580**	**530**	**1,110**
NET BOOK VALUE AT 31 AUGUST 2023		**458**	**241**	**699**
NET BOOK VALUE AT 31 AUGUST 2022		**538**	**197**	**735**

		Improvements to Leasehold Property	Plant and Equipment	Totsl
Charity:	**Notes**	**£'000**	**£'000**	**£'000**
Cost at 1 September 2022		709	129	838
Additions		8	-	8
AT 31 AUGUST 2023		**717**	**129**	**846**
Depreciation at 1 September 2022		334	122	456
Charge for the year		67	3	70
AT 31 AUGUST 2023		**401**	**125**	**526**
NET BOOK VALUE AT 31 AUGUST 2023		**316**	**4**	**320**
NET BOOK VALUE AT 31 AUGUST 2022		**375**	**7**	**382**

12. Fixed asset investments

Shares in group undertakings and participating interests

Ellen MacArthur Foundation Trading Limited
The charitable company holds 100% of the share capital of the Ellen MacArthur Foundation Trading Limited. This Company is registered in England and Wales (company number 07110767), and provides consultancy services and events for businesses and books and publications. The cost of shares as investment in the charity at 1 September 2022 and 31 August 2023 was £1, and the net book value as at 31 August 2022 and 31 August 2023 was also £1.

EMF Trading USA, Inc.
The charitable company holds 100% of the share capital of the EMF Trading USA, Inc. This Company is registered in the State of Delaware, USA, and has been dormant since incorporation on 18 May 2020. The cost of shares as investment in the charity as at 1 September 2022 and 31 August 2023 was £1, and the net book value as at 31 August 2022 and 31 August 2023 was also £1.

EMF USA Inc.
EMF USA Inc is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within the USA.

EMF Brazil
EMF Brasil is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within Brazil.

13. Debtors

		Group 2023	Group 2022	Charity 2023	Charity 2022
	Notes	£'000	£'000	£'000	£'000
Trade debtors		1,889	2,262	865	984
Other debtors		222	75	218	62
Accrued income		4,413	4,918	4,109	4,869
Prepayments		622	983	204	809
TOTAL		**7,146**	**8,238**	**5,396**	**6,724**

Included in the above figures, for both the Group and Charity, are £845,000 (2022 - £1,500,000) of debtors that are due after more than 1 year.

14. Creditors

Amounts falling due within one year:	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade creditors – project costs		911	364	564	264
Amounts due to Trading subsidiary		-	-	911	799
Accruals		505	367	204	197
Other creditors		193	359	98	119
Taxation and Social Security		46	213	2	189
Deferred income		3,823	2,923	-	-
TOTAL		**5,478**	**4,226**	**1,779**	**1,568**

Deferred income arises on donations received in advance of the various work programmes relating to the 2023/24 financial year which commenced on 1 September 2023. All of the income deferred at 31 August 2022 was taken to the income and expenditure account in the 2023 accounts.

Deferred income represented:	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
At 1 September 2022		2,923	2,801	-	425
Amounts released to income in the year		(2,923)	(2,801)	-	(425)
Additions in the year		-	2,923	-	-
At 31 August 2023					
Consultancy fees in advance		2,391	1,989	-	-
Fibres		621	493	-	-
NPEC		733	415	-	-
Food		78	26	-	-
AT 31 AUGUST 2023		**3,823**	**2,923**	**-**	**-**

15. Unrestricted funds

	At 1 September 2022	Income received	Fund expenditure	Transfers	At 31 August 2023
	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	17,173	12,971	(14,651)	-	17,703
TOTAL	**17,173**	**12,971**	**(14,651)**	**-**	**17,703**

	At 1 September 2021	Income received	Fund expenditure	Transfers	At 31 August 2022
Comparative information	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	12,424	13,530	(9,810)	1,029	17,173
Designated fund	1,250	-	-	(1,250)	-
TOTAL	**13,674**	**13,530**	**(9,810)**	**(221)**	**17,173**

In the previous year (2021) the trustees designated £1.25m for specific projects in the 2021-22 financial year. These were the Circular Economy Performance Measurement initiative, a mechanism to demonstrate scaled impact towards the circular economy, and for the specific growth of the operations team to cope with the overall increase in activity and people at the Charity, such as new HR software systems and expansion of the People team. The projects were abandoned in the current year, and therefore all designated funds were released to general funds.

16. Restricted funds

		At 1 September 2022	Income received	Fund expenditure	Transfers	At 31 August 2023
Learning:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Schmidt-MacArthur Higher Education Programme	1	33	-	(33)	-	-
Institutions, Governments and Cities:		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
MAVA G&C, CE100 and Circular Materials	2,3	175	126	(301)	-	-
China	4	2,011	1,312	(1,778)	-	1,545
Systemic Initiatives:		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
New Plastics Economy Initiative	5	1,686	4,322	(3,501)	-	2,507
Cities and Circular Economy For Food	7	1,312	1,656	(1,084)	-	1,884
Building Prosperity	8	-	400	(14)	-	386
TOTAL		**5,127**	**7,816**	**(6,711)**	**-**	**6,322**

Comparative information for Restricted Funds

		At 1 September 2021	Income received	Fund expenditure	Transfers	At 31 August 2022
Learning:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Schmidt-MacArthur Higher Education Programme	1	(2)	425	(390)	-	33
Institutions, Governments and Cities:		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
MAVA G&C, CE100 and Circular Materials	2,3	424	472	(721)	-	175
China	4	1,882	1,765	(1,636)	-	2,011
Systemic Initiatives:		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
New Plastics Economy Initiative	5	4,556	25	(2,895)	-	1,686
Make Fashion Circular	6	(261)	65	(25)	221	-
Cities and Circular Economy For Food	7	793	1,112	(593)	-	1,312
TOTAL		**7,392**	**3,864**	**(6,260)**	**221**	**5,217**

Notes to the financial statements

All restricted funds are held within Ellen MacArthur Foundation. As such the consolidated and charity only restricted funds are one and the same.

(1) The Schmidt-MacArthur Higher Education Programme relates to funding received from the Schmidt Foundation, a US based Trust, and aims to educate more than one million learners globally. It has been financially supported by the Eric and Wendy Schmidt Fund for Strategic Innovation and was launched in 2019.

(2) MAVA G&C, CE100 and Circular Materials – The Government and Cities project relates to funding to advance the engagement of government and cities with circular economy. The CE100 project relates to funding to drive momentum in the Circular Economy innovation in Cities. The Circular Materials project relates to a project to carry out initial research to advance the understanding of the circular materials landscape.

(3) The Mava Partnership - the Ellen MacArthur Foundation acts as a Partner Organisation to MAVA, providing technical knowledge and strategic advice to identify opportunities for engagement under Mava's proposed strategy outcomes SE4 'Circular Economy in Europe' and SE5 'Circular Economy for Plastics'.

(4) China (MAVA) – MAVA have funded a project to mobilise the broader momentum and focus on the Circular Economy in China, including the growing alignment between the private and public sector on the role the Circular Economy can play in enabling better forms of economic growth.

(5) The New Plastics Economy Initiative project launched in 2016 to bring together key stakeholders to rethink and redesign the future of plastics, starting with packaging. Phase II launched in 2019 and runs until 2025.

(6) The Make Fashion Circular project is an initiative to help the fashion industry ensure clothes are made from safe and renewable materials and investigate new business models that increase their use and turn old clothes into new. This new textiles economy would benefit business, society, and the environment. During the year the restricted element of the systemic project came to a close and funds were transferred to clear the overdrawn position.

(7) The Cities and Circular Economy for Food initiative aims to fundamentally rethink the role of cities in the food system based on the principles of a circular economy. The initiative will stimulate, inform and mobilise new approaches for restorative and regenerative urban food systems and related bio-cycle economic activity.

(8) Building Prosperity (previously referred to as 'Landmark') is a landmark circular economy study that presents an opportunity for EMF to restate the economic rationale for the circular economy, by producing a market-leading and agenda-setting piece of research, analysis and opportunity identification. It builds on the Growth Within study of 2015, while exploring a new dimension of the potential for the circular economy to drive nature-positive impact by modelling six CE levers for the built environment. The study is responding to a crucial moment of transition from the current EU Commission to a new cohort of commissioners and MEPs. It aims to ensure circular economy thinking is embedded within policy measures and enabling conditions for accelerating the transition to a circular economy across industries within Europe and beyond. As such, the target audiences for the study are the EU Commission and associated advocacy communities, Investors and Businesses with vested interests in the Built Environment.

17. Analysis Of Group Net Assets By Funds

		Unrestricted funds	Restricted funds	Total 2023	Total 2022
Consolidated:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets		699	-	699	735
Current assets		6,266	880	7,146	8,238
Cash at bank		13,893	5,555	19,448	17,643
Creditors		(5,365)	(113)	(5,478)	(4,226)
TOTAL		**15,493**	**6,322**	**21,815**	**22,390**

Charity:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets		320	-	320	382
Current assets		4,516	880	5,396	6,724
Cash at bank		10,054	5,555	15,609	13,503
Creditors		(1,666)	(113)	(1,779)	(1,568)
TOTAL		**13,224**	**6,322**	**19,546**	**19,041**

Comparative information for Restricted Funds

		Unrestricted funds	Restricted funds	Total 2022	Total 2021
Consolidated:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets		735	-	735	751
Current assets		6,903	1,335	8,238	5,997
Cash at bank		13,705	3,938	17,643	18,234
Creditors		(4,170)	(56)	(4,226)	(3,916)
TOTAL		**17,173**	**5,217**	**22,390**	**21,066**

Charity:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets		382	-	382	447
Current assets		5,389	1,335	6,724	5,137
Cash at bank		9,565	3,938	13,503	14,451
Creditors		(1,512)	(56)	(1,568)	(1,647)
TOTAL		**13,824**	**5,217**	**19,041**	**18,388**

18. Financial commitments - leases

At 31 August 2023 the group had the following minimum lease payments under non-cancellable operating leases, as follows:

		2023 property	2023 other	2022 property	2022 other
Consolidated:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Due within 1 year		159	13	148	7
Due between 2-5 years		290	-	372	7
Due after more than 5 years		46	-	96	-
TOTAL		**495**	**13**	**616**	**14**

Charity only:	**Notes**	**£'000**	**£'000**	**£'000**	**£'000**
Due within 1 year		159	-	148	-
Due between 2-5 years		290	-	372	-
Due after more than 5 years		46	-	96	-
TOTAL		**495**	**-**	**616**	**-**

19. Related parties

During the year the Charity and Trading Company have occupied offices at an agreed rent, owned by EM (IOW) Ltd, a Company 50% owned by Dame Ellen MacArthur. A charge was made by EM (IOW) Limited for £36,750 (2022 - £36,750) in respect of the office rental, and at the year end £Nil (2022 - £Nil) was outstanding.

Charges were made by EM (IOW) Ltd to Ellen MacArthur Foundation for £Nil (2022 - £7,500) in respect of services provided by Dame Ellen MacArthur, who is a Trustee of the Charity and also a director of the trading subsidiary. At the year-end £Nil (2022 - £Nil) was outstanding. These services were in respect of Ellen's time as a speaker, and for appearances in helping the Company carry out its activities. The payments were not in respect of Ellen's duties as a Trustee of the Charity, and permission was granted in 2014 by the Charity Commission in respect of these payments.

There was no remuneration paid to Trustees for their services as Trustees (2022 – £ Nil). Expenses were reimbursed to two Trustees totaling £483 (2022 – one Trustees £424) in respect of home phone expenses and travel. No expenses were incurred on behalf of the Trustees (2022 - £Nil). At the year end, £Nil (2022 - £Nil) was outstanding.

20. Controlling party

The charity is controlled by the Trustees.

21. Financial instruments

		2023 Group	2022 Group	2023 Charity	2022 Charity
	Notes	£'000	£'000	£'000	£'000
Carrying amount of financial assets Debt instruments measured at amortised cost		25,973	24,899	20,800	19,418
Carrying amount of financial liabilities Liabilities measured at amortised cost		(1,656)	(1,303)	(1,779)	(1,569)
TOTAL		**24,317**	**23,596**	**19,021**	**17,849**



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ELLEN MACARTHUR FOUNDATION

Charity Registration No.: 1130306
OSCR Registration No.: SC043120
Company No.: 6897785

ELLEN MACARTHUR FOUNDATION

England & Wales - Charity number 1130306

Accounts

Company Number: 06897785
Registered Charity Number: 1130306
Office of the Scottish Charity Regulator Registered Number: SC043120
ANBI RSIN number (Netherlands): 8257 45 925

ELLEN MACARTHUR FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2022

Ellen MacArthur Foundation
Report and Financial Statements for the year ended 31 August 2022

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CHARITY INFORMATION

Trustees

Dame Ellen MacArthur Chair
Mr Philip Sellwood
Mr Peter Morgan
Mr Michael Lebovitz
Mr Wolfgang Blau (resigned 14 July 2022)

Chief Executive Officer: Mr Andrew Morlet

Chief Operating Officer: Ms Jo Bootle

Company Secretary: Mr Matthew Enston

Registered Charity Number: 1130306

Scottish Charity Register Number: SC043120

ANBI RSIN number (Netherlands): 8257 45 925

Registered Company Number: 06897785

Registered Office: The Sail Loft, 42 Medina Road, Cowes, Isle of Wight, PO31 7BX

Contact details:

Tel: 01983 296463

Email: info@ellenmacarthurfoundation.org

Web site: www.ellenmacarthurfoundation.org

Bankers: Lloyds TSB
30 Commercial Road, Totton, Southampton, SO40 3TH

Auditors: Moore Kingston Smith LLP
Devonshire House, 60 Goswell Road, London, EC1M 7 AD

Governing Instrument: Memorandum and Articles of Association dated 3 July 2013

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT

Report of the trustees for the year ended 31 August 2022

The Trustees present their annual report and audited financial statements of the Charity, its trading subsidiaries, US and Brazil sister charities for the year ended 31 August 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing their annual report and financial statements of the Charity and the Trustees' Report contains the information required in a Directors Report as set out in English company law.

OBJECTIVES AND STRATEGY

Objects:

1. To promote for the benefit of the public the conservation, protection, and improvement of the physical and natural environment and the prudent use of natural resources; and

2. To advance the education of the public in the conservation, protection, and improvement of the physical and natural environment and to promote study and research in such subjects for the public benefit and disseminate the useful results.

Mission:
To accelerate the transition towards a circular economy.

Strategy:
The Charity develops and promotes the global systemic shift from a linear economy to a circular economy that is regenerative by design. The circular economy is based on the three core principles of eliminating waste and pollution, circulating products and materials (at their highest value), and regenerating nature. The circular economy is distributed, diverse and inclusive, and is underpinned by renewable materials and renewable energy. By 2025 the Charity aims to have created unstoppable momentum for the circular economy transition by working with and inspiring business, academia, policymakers, and institutions to mobilise systems solutions at scale, globally. The Charity will do this by developing the idea and promoting the opportunity of the circular economy; mobilising a powerful network of leaders and influencers; and applying innovative new approaches to scale system solutions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is formed as a Company Limited by Guarantee, registered in England under number 06897785, and governed by its Articles of Association. The Company has no share capital although the subscribers of the Memorandum are obliged to pay the sum not exceeding £1 in the event of a winding up of the Charitable Company.

The Charity is registered with the Charity Commission for England and Wales under registered charity number 1130306, with the Office of the Scottish Charity Regulator under number SC043120 and from 1 January 2018 as an ANBI (Algemeen Nut Beogende Instelling) in the Netherlands under number 8257 45 925. The Charity is controlled by its Board of Trustees, with the day-to-day management delegated to the CEO, COO and the Leadership Team.

The Charity has two wholly owned trading subsidiary companies, Ellen MacArthur Foundation Trading Limited ('EMF Trading') and EMF Trading (USA), Inc. All profits are donated to the Charity to further its work. EMF Trading is registered in England and operates the Circular Economy 100 programme, also providing business services relating to the circular economy to the Charity's Strategic Partners and Systemic Initiative participants. EMF Trading (USA), Inc was established in April 2020 and is registered in Delaware, United States. The Charity works closely with two sister charities, the Ellen MacArthur Foundation USA, Inc (in the United States) and Ellen MacArthur Foundation Brasil (in Brazil). These accounts reflect all activities on a consolidated basis. The Ellen MacArthur Foundation obtained official registration as an international NGO in China in 2022, with the registration certificate issued by Beijing Public Security Bureau on January 5th. The official Chinese registered name is "Ellen MacArthur Foundation (UK) Beijing Representative Office". The supervising authority is the Ministry of Ecology and Environment of China, the registration certificate number is No.00005014, and the unified social credit code/tax code is G1110000MCW006869N.

Trustees:
The directors of the Company are the Charity's trustees for the purposes of charity law. The Trustees as listed on page 2. Trustees are appointed by agreement of the existing Board of Trustees and must have specific skills or knowledge in a sector beneficial to the Charity and its charitable objects. The current

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

Trustees include experts in sustainability, media and communications, law, and finance. A process of induction and training is provided to Trustees, including awareness and guidance produced by the Charity Commission.

All trustees give of their time freely for duties as a trustee and no remuneration for trustee duties was paid in the period. Details of trustee expenses and related party transactions are disclosed in note 19 to the accounts.

Public Benefit:
In considering the work of the Charity, and in their governance of it, the Trustees have had due regard to the guidance produced by the Charity Commission in respect of public benefit. The Charity works to provide evidence of the economic, environmental, and societal benefits that the circular economy could deliver. In its areas of work, the Charity focuses on helping people understand the circular economy, enables them to apply these learnings, plays an active role in the transition to the circular economy, and catalyses circular innovation on a sector and system-wide scale. The Charity also develops tools and methods to help companies, policymakers, and other stakeholders reach their circular economy ambitions.

The Charity is recognised as a leader in the circular economy field. It provides robust evidence about the benefits of the circular economy and stimulates the transformation of key material flows to scale adoption of the circular economy globally through its pioneering Systemic Initiatives. The Charity disseminates useful results by sharing informative content, inspiring key players in the economy and stimulating dialogue around the circular economy framework. The extensive resource library on its website showcases how circular economy concepts are being implemented in practice, and also includes policy and investment insight papers, case studies, and learning pathways to support the Charity's mission.

Management Structure and Remuneration:
The Trustees delegate responsibility for the day-to-day operational management of the Charity to a Chief Executive Officer and a Chief Operating Officer. The CEO and COO (listed on page 2) work with a wider Executive Leadership Team (ELT), appointed by the CEO, whose purpose is to:

- formulate and manage the execution of strategy and priorities: i.e., long-term strategy and annual priorities, taking into account opportunities, resources, and risks; and
- formulate and manage operational systems and processes: i.e., structure, governance, people, processes, and tools.

This group meets together monthly and is supported by a team of functional leads, who run the specific programmes and activities of the charity. Both leadership groups have clear terms of reference that are accessible by the organization on the Foundation intranet.

The ELT also sponsors a number of cross-functional working groups that develop and propose solutions to key challenges and opportunities. These include a Portfolio Management Group that evaluates the Charity's portfolio of projects to ensure that they align with the overarching strategy and mission, and that the delivery of these projects is feasible and managed sustainably for the team, within proposed timelines.

In 2022, EMF completed a comprehensive salary review of all their UK and international salaries. This involved partnering with Mercer, a remuneration and compensation management consultancy, and completing a role grading and market rate comparison exercise. Roles have been graded against the Mercer role grading process and placed into 1 of 7 bands. All roles are now being paid within the banding for where their role appears. This ensures an objective salary approach across the organisation. Further analysis of this exercise will be completed in 2023 to ensure that roles are being paid correctly within the bands. After this, salary reviews are conducted annually following a performance review process that is led by the Leadership Team, who recommend salary changes to the CEO and COO. Recommendations are evaluated in the context of internal considerations (organisation structure, team and individual performance, and affordability), as well as external factors (market benchmarks, cost of living assessments). Any CEO and COO salary adjustments and bonuses are discussed and agreed by the Trustees.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

ACHIEVEMENTS AND PERFORMANCE

"Throughout the year, the EMF team has stayed focused on delivering the programmes and initiatives that will have the greatest possible impact on the transition to a circular economy, and on delivering them to the highest possible levels of quality and rigour. They have done this in a tough – and rapidly changing – external context, and I am constantly impressed by how much they challenge themselves to keep evolving the work of the Foundation, to ensure it supports our network and moves us towards achieving our charitable goals." Dame Ellen MacArthur

The Charity started the year in a strong financial position and this held through the year, as the business network grew and philanthropic funders continued to back the Foundation's projects and initiatives. As a result, the Charity was able keep its focus on delivering against its objectives for 2025 and beyond.

The impact of the Covid-19 pandemic lessened in most of the geographies where the Charity operates, so this financial year the Foundation was able to bring back the in-person activities and events that have always been so key mobilising its key audiences and inspiring them to make commitments in accordance with the circular economy principles. The return of the Foundation's Annual Summit at the Roundhouse in London in June 2022 confirmed the importance of bringing its Network together to share insights and generate new circular economy collaboration opportunities. At the same time, the Charity continued to develop and demonstrate its digital capability, taking the insights and learnings from the pandemic period to gain a much stronger understanding of how digital technology can support the ability of the Foundation to achieve its objectives. This included early iterations of a digital circular economy start-up index.

Being able to measure progress towards a circular economy became an increasingly important theme for the Charity during the financial year. Development of the Circulytics tool continued, alongside other frameworks to support the Foundation's Network to understand, measure, and report on their circular economy journeys. The period also saw the Foundation conduct research to understand its own impact on the circular economy transition, which has helped inform decision-making internally.

In each of the key sectors of Plastics, Fashion and Food, the Foundation continued to work on increasing engagement with the circular economy through clear communications, and supporting the implementation of the circular economy principles through research and demonstration projects. During this period, the focus on 2025 targets and ambitions became more intense and all the initiatives moved into new phases of activity. The enabling work across Policy, Finance, and Design continued to underpin these activities, reflecting the systemic nature of the challenge and of the approach and solutions required.

The interconnected nature of all of the Foundation's programmes of activity has led to an increased focus on how the internal teams are set-up and work together in the most effective way possible. During the year, the Charity launched a new project management framework to ensure all projects are managed consistently and with the right levels of internal discovery, collaboration, and implementation.

Despite the impact of the Covid-19 pandemic continuing for the Foundation's team working in China, the Charity continued to make huge progress in all of the geographies where it has a physical presence – Europe, North America, Latin America, and China. Each team extended its own activity and reach, while also aligning back to the Foundation's overall 2025 targets. Significant internal effort was also put into strengthening the overall international operating model to ensure that ways of working across the different geographies are as effective as possible as the Foundation starts to look towards setting targets for 2030 and beyond.

BUSINESS*-led collaboration and disruptive innovation are crucial to driving the circular economy transformation*

The Charity's **Strategic Partners** are Blackrock, Danone, DS Smith, Gucci, H&M, IKEA, Intesa Sanpaolo, Nestlé, Philips, SC Johnson, Renault, Solvay, the Coca-Cola Company, and Unilever. Counted among the world's leading and most influential organisations, these Strategic Partners offer transformative potential for the circular economy transition by demonstrating what is possible.

In 2022, the Foundation strengthened its group of Strategic Partners by renewing its Strategic Partnerships with demonstrated leaders – DS Smith, Intesa Sanpaolo, and SC Johnson; by enrolling new Strategic Partners – Gucci and Visa; and by elevating existing Partners who demonstrated their leadership and capacity to invest in the circular economy transition – Nestlé and the Coca-Cola Company.

These companies showcase how the Foundation's Strategic Partners are implementing circular economy solutions in their current value chains, while exploring new circular business models and system solutions to achieve bigger impact. This is particularly true regarding the plastic packaging agenda, the first demonstrator the Foundation set-up to display the circular economy in action. DS Smith for example has achieved its target of 100% reusable or recyclable packaging ahead of its initial 2025 timeline. After helping its customers to replace 313 million units of problematic plastic packaging with recyclable alternatives, it is now moving ahead with several pilots around reuse. Similarly, SC Johnson is making progress on its plastic packaging ambition by reducing its virgin plastic use by 22pp between 2018 and 2021 and by increasing its share of post-consumer recycled content by 14pp from 2018. In line with the Foundation's vision for a circular economy transformation in the plastic industry, SC Johnson also plans to scale refillable and reusable solutions, and has also doubled the share of reusable plastic packaging to achieve 6.9% by 2021. Meanwhile, the Coca-Cola Company raised its ambition on plastic packaging with a new target of 25% reusable packaging by 2030. The Coca-Cola Company was soon followed by PepsiCo, a Partner of the Foundation, which announced it aimed to sell 10% of its beverage servings in reusables by 2030. These examples demonstrate the power of influence of the Foundation's Strategic Partner cohort.

In parallel to advancing the circular economy transition for plastics, the Foundation has been promoting the importance of the biocycle and the regenerative agenda for the circular economy. This has been reflected by the commitments and activities launched by the Foundation's Network and particularly by companies in the food and fashion industries. Nestlé, who as a Partner of the Foundation has been a long-time stakeholder in the Global Commitment for Plastic, has stepped up its ambition on regenerative agriculture. Nestlé aims to source 20% of its ingredients from regenerative agriculture by 2025, increasing to 50% by 2030. Mark Schneider – Nestlé's CEO – announced at the Foundation's summit in July 2022 that Nestlé was well on the way to achieving that target. In recognition of Nestlé's leadership, the Foundation elevated Nestlé to a Strategic Partner at the end of 2021.

Similarly, the luxury fashion company Gucci is working on launching circular jeans as part of the Foundation's The Jean Redesign initiative. In addition, Gucci is focusing its circular economy strategy on embracing nature-positive strategies to protect biodiversity. Gucci joined the Foundation in March 2022 as a Strategic Partner, becoming the first luxury fashion brand to do so. This new addition to the Strategic Partners' cohort of the Foundation reflects the take-up of the circular economy agenda in the fashion industry across the board.

Another area of growing influence and impact for the Foundation's network is the finance sector. There has been a significant growth of circular economy financing and investment across asset classes over the last three years with an increase from ~USD 75 billion from 2015 to 2019, to over USD 260 billion (cumulative) by 2022. This trend has continued with the circular economy attracting new financing in 2022 too, despite the challenging economic conditions. Five new circular economy-focused public equity funds were launched in 2022 (including from HSBC, Robeco, and Intesa Sanpaolo's Eurizon). Assets under management across all circular economy-focused public equity funds increased more than 24-fold since the end of 2019 from USD 0.3 billion to USD 8 billion at the end of H1 2022. The number of outstanding corporate and sovereign bonds with a circular economy focus increased more than 5-fold between December 2019 and June 2022, with over 300 bonds issued in the last three years related to the circular economy with cumulative issuance of ~USD 70 billion. In H1 2022, ~USD 14 billion of circular economy-related bonds were issued. Indeed, Intesa Sanpaolo – a renewing Strategic Partner in 2022 – has stepped up its effort to finance the circular economy transition. The banking group had previously committed a credit plafond of up to 5 billion euro, aimed at companies which adopt a circular model with innovative procedures, so granting the best conditions for accessing credit. Out of a total of 800 applications, Intesa Sanpaolo has funded around 300 projects with circular

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

criteria – valued at over 3.9 billion euro. This commitment to the circular economy was confirmed in the 2022–2025 Intesa Sanpolo strategy business plan, which announced a ramp-up to 8 billion euro of credit lines for the circular economy. In the first half of 2022, approximately 933 million euro were disbursed within the framework of the plafond dedicated to the circular and green economy, which provides for specific incentives. In addition to this incentive model, Eurizon – Intesa Sanpaolo Group's Asset Management Division – launched in 2022 a circular economy fund.

The Foundation is also increasing its work with financial partners through a new Strategic Partnership with Visa which aims to activate the common ambition of scaling the adoption of circular business model offerings. Visa recognises the opportunity the circular economy represents in, among other things, establishing a mature recommerce market and, as a payments company, is well positioned to facilitate and incentivise this shift. Visa launched the Behaviour Insights Lab to conduct experiments with customers and openly share learnings and cases.

The effort to scale the adoption of the circular economy by a wide array of companies is demonstrated by the take-up of Circulytics. After its launch in January 2020, 169 companies from the Network had registered for Circulytics and 39 had completed a full submission by August 2021. By August 2022, 258 companies had completed at least one Circulytics assessment. This demonstrates the appetite from organisations to better measure their progress in the circular economy transition and discover how the Foundation can support them to go further in their journey.

Business, Network, and Latin America

During the fiscal year, the LatAm team together with the Network team designed a model to internationalise the Foundation's Network model, with a focus in LatAm. The model launched on 1 September and the design efforts led to a pilot model for FY22 with a focus on a zero cost digital offer that better meets the needs of aspiring businesses in the LatAm market. Today, this offer consists of access to a global community platform, and a portfolio of learning resources and online events accessible in all languages relevant to the region.

USA: US-based Network partners and members continue to make up a large and important percentage of the overall Foundation network. During the year the sister charity, EMF USA Inc, continued to focus on deepening relationships with key corporate partners leading to increased engagement in Foundation programmes and building relationships in the national policy arena. The US-based team also worked on maintaining brand voice through event attendance and communication campaigns in North America. Internally, the focus was on building the team to support the priorities of cultivating business and policy network relationships, and on ensuring the team is well-set up, and working effectively with other Foundation teams to benefit from all knowledge sharing and collaboration opportunities. In August, the Charity partnered with US-based media outlet GreenBiz Group to organise Circularity 22 , which brought together more than 10,000 professionals from around the world to network and explore how to advance the adoption of the circular economy through inspirational plenary and breakout sessions.

SYSTEMIC INITIATIVES *are transforming key material flows to scale the circular economy globally.*

Working with businesses, governments, philanthropists, innovators and NGOs, The Foundation's Systemic Initiatives spark unprecedented levels of cross-sectoral collaboration and innovation. These initiatives emerged under the umbrella of Project Mainstream, a CEO-led global initiative by the World Economic Forum and the Charity, with the aim to help scale business-driven circular economy innovations. During the year the Charity operated three separately funded Systemic Initiatives: New Plastics Economy (NPEC) now in phase 2 having launched in 2016; Make Fashion Circular; and the Food Initiative. The Charity has also established a cross-cutting Finance Initiative, developing perspectives on the role of finance in accelerating and enabling the circular economy transition.

NEW PLASTICS ECONOMY

The New Plastics Economy is an ambitious global initiative bringing together key stakeholders to transition the global plastics industry to the circular economy, starting with packaging. Through the NPEC Global Commitment and its network of Plastics Pacts, more than 1,000 organisations around the world have united behind a common vision of a circular economy for plastics. The Global Commitment established concrete 2025 targets to help realise that vision through three key actions: **eliminate** the plastics we don't need; **innovate** to ensure the plastics we do need are reusable, recyclable, or compostable; and **circulate** all the plastic items we use to keep them in the economy and out of the environment.

A joint philanthropic-business advisory board oversees the initiative to ensure the inclusion of a wide set of social, environmental, and business considerations. This includes philanthropic partners Eric & Wendy Schmidt Fund for Strategic Innovation (lead) and Oak Foundation together with corporate partners Amcor, Borealis, the Coca-Cola Company, Danone, L'Oréal, MARS, Nestlé, PepsiCo, Unilever, Veolia, and Walmart.



NPEC Global Commitment, a collaboration with the United Nations Environment Programme ('UNEP'), unites more than 250 businesses collectively representing more than 20% of all plastic packaging used globally, 34 governments (representing over 1 billion people), and over 200 endorsers behind a common vision of a circular economy for plastics.

The annual Global Commitment progress reports created an unprecedented level of transparency on how almost 200 businesses and governments are reshaping the plastics system. They provide unique insight into the trajectory of progress against targets.

The latest Global Commitment report showed that businesses are making substantive progress in certain areas, while at the same time, most are expected to miss some key targets:

- The share of post-consumer recycled content has risen from 4.8% in 2018 to 10.0% in 2021. Whilst it took decades for businesses to hit the 5% mark, signatories to the Global Commitment doubled it to 10% in just three years.
- The use of flexible packaging and a lack of investment in collection and recycling infrastructure means the 100% reusable, recyclable, or compostable plastic packaging by 2025 target is becoming unattainable for most.
- A majority of business signatories cut their use of virgin plastics from 2018 to 2021, but a minority have driven overall use among the group back up to 2018 levels.
- The share of plastic packaging that is reusable decreased slightly to an average of 1.2%. However, the Foundation welcomed the fact that two of its partners, the Coca-Cola Company and PepsiCo, with its support and input, set a quantitative reuse target – they are the first major global brands to do so.

To maximise progress during the remaining years towards 2025, and to address key longer-term challenges such as reuse and flexible packaging, the Foundation aligned a group of key businesses, at CEO level, on an accelerated action agenda.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

A long-term home, in one of the world's leading reporting platforms (CDP), is being developed for the Global Commitment's reporting. Last September the Foundation announced a **collaboration with CDP, the PEW Charitable Trust, and Minderoo Foundation** to develop plastic reporting as part of the CDP reporting platform. This is building on the Global Commitment reporting framework and aiming to extend it to thousands of companies, at the same time as increasing its reach with investors through the CDP platform. This would be a great legacy for the unprecedented transparency the Global Commitment created. Avenues to connect this with the potential for a UN Global Treaty to end plastic pollution are also being explored.

To accelerate the circular economy transition for plastics, the Charity has brought together businesses, governments, and civil society within a country or region in a unique global platform – the **Plastics Pact Network**. Each locally led Plastics Pact works towards ambitious, local targets to stimulate the elimination of unnecessary or problematic plastic packaging; the design of all plastic packaging to be reusable, recyclable, or compostable; and increased collection, recycling, and recycled content of plastic packaging.

The Foundation's Plastics Pact Network facilitates the exchange of insights across 12 Plastics Pacts in different geographies, now totalling 28 countries, representing over 30% of global GDP. This year's highlights included: Pacts publishing five new roadmaps and six new baseline or progress reports; many Pacts disclosing more and better information (e.g. on reusable packaging or portfolio compositions of Pact member companies); and progress being made on identifying and reducing unnecessary and problematic plastic packaging and on increasing the use of recycled plastics.

In 2022, the Foundation initiated a closer collaboration with WRAP and the World Economic Forum (WEF)'s Global Plastic Action Partnership – incorporating national plastics initiatives, like Plastics Pacts in additional geographies including Indonesia, India, Mexico, and Ghana – to create one large and truly global network of national initiatives.

The development of a **legally binding UN treaty** is a once-in-a-generation opportunity to tackle the plastic pollution crisis in a globally coordinated way. Since the second half of 2020, the development of a Global Treaty on plastic pollution has been an increasingly big focus of the Foundation's work. Since the adoption of a resolution in March 2022, to officially start negotiations, the Foundation has invested significant time and resources to set ourselves up for playing a significant role in these negotiations over the coming years.

The Foundation has worked extensively with WWF to convene a coalition of 85 businesses across the plastics value chain, financial institutions, and non-governmental organisations (NGOs) to form the **Business Coalition for a Global Plastics Treaty** launched in September 2022. In collaboration with aligned businesses and supported by strategic NGO partners, the coalition sees the treaty as the single most important opportunity to accelerate progress towards the circular economy in which plastic never becomes waste or pollution, and the value of products and materials is retained in the economy.

The coalition will develop ambitious policy recommendations, aligned with the Foundation's vision; engage with treaty negotiators; and build confidence in the business community around the benefits and necessity of an effective treaty that sets common goals, rules, and obligations to be implemented in national jurisdictions. For businesses and investors, this means creating a level playing field and preventing a patchwork of disconnected solutions.

This year, the Foundation published a **report on flexible packaging** (March 2022), to spotlight this packaging category as the fastest-growing and most challenging from a circular economy point of view. This report led some of the largest consumer packaged goods (CPG) companies to call into question their current strategy for dealing with flexible packaging waste and – more recently – the Foundation even gathered nascent support from the business community for a phase-out of certain sachets in emerging economies. Further efforts on flexible packaging will be pursued in 2023.

Through the Charity's China office, the Foundation has continued to progress its **work on plastics in China.** The Foundation launched its first China-specific report on plastics in collaboration with Tsinghua University: *Towards a circular economy for plastics in China: Opportunities and recommendations*. The paper established the opportunity for China to play a leading role in the development of an ambitious legally binding instrument to end plastic pollution; and suggested that China should take advantage of this enabling condition to enhance local efforts to curb plastic pollution. Furthermore, the Foundation convened over 65 influential public and private organisations and c.2,000 industry actors via industry events, to discuss and increase uptake on upstream innovation and reuse. These outreach activities were in line with the Foundation's focus areas at global level, and included a 'flexible packaging' workshop and workshops on circular/reusable delivery packaging. Finally, the Foundation developed a collaboration

with FECO (The Foreign Environmental Cooperation Center of MEE) in order to explore opportunities around the treaty.

Looking ahead, the next three years will be critical in the efforts to solve the plastic pollution crisis. The opportunity presented by the global legally binding instrument is significant and the time for progress is now. The Foundation will focus a major effort – working at the nexus of business and policy – to drive towards an ambitious global treaty by 2025. The next three years are also the final years to deliver on the 2025 targets for Global Commitment signatories and Plastics Pacts, and through the Accelerated Action Agenda the Foundation aims to drive maximum progress in those final years. At the same time, the Foundation has started thinking about the journey ahead beyond 2025 and will continue to develop the strategic direction towards 2030 and beyond.



The Ellen MacArthur Foundation has become the global reference point for the circular economy for fashion. Since the launch of the Foundation's New Textiles Economy report, which remains the Charity's top report downloaded month-on-month, and Vision of a Circular Economy for Fashion, the Foundation has played a significant role in changing the narrative of the industry, including policymaker perceptions of both the challenge and the available solutions. The Foundation's efforts have laid the groundwork for transformation, informing industry strategy and government policy, as well as increasing public awareness of the opportunity presented by a circular economy for fashion. The Foundation's vision can be found in the work and strategy of many corporates, the EU Commission's Circular Economy Action Plans and its EU Textiles Strategy, the G20 Resource Efficiency Dialogue, The Dutch 2050 Circular Textiles Strategy, UNEP textile industry reports, Business of Fashion, WGSN, WRAP, The Global Fashion Agenda Monitor Report, PACE, and Textile Exchange Corporate Fibre Benchmark, to name a few.

Following Make Fashion Circular becoming the Fashion Initiative in May 2021 as part of the Foundation's 'One Network' approach, the Fashion network was further strengthened by bringing leading fashion house Gucci in as a Strategic Partner. The Fashion network as a whole has continued to grow (it now stands at 20+ organisations), and 91% of the organisations involved in the Fashion Initiative have engaged with at least one of the Network Programme offerings. The small group and 1:1 conversations with the Fashion Advisory Board organisations (Gucci, H&M, PVH, Ralph Lauren, Zalando, Primark, Inditex) have enabled the Fashion Initiative to challenge its ambition level, and sharing detailed feedback has informed a suite of resources and outputs including strategy, circular economy targets, training, tools, and internal circular economy guidance documents, etc.

In December 2021, the Foundation published and distributed the Circular Design for Fashion Book, with the aim of engaging and inspiring those who have creative influence on fashion's products and services. The book has received six prestigious design awards, a clear recognition of its appeal to the intended audience. The book sold out its initial print run of 2,500 books in six months and a further 3,000 copies were printed.

Also in December 2021, the Fashion Initiative also launched the paper *Circular Business Models: Redefining growth for a thriving fashion industry*, which advances the industry thinking and restates the Foundation's narrative around 'decoupling resource use from revenues', providing case studies and informing corporate strategies. The paper has been well received by the industry, and its narrative has been widely picked up and reflected in media and corporate sustainability strategies. For example, Selfridges' strategy reflects the initiative's language closely, and Selfridges has publicly committed to ensure that '45% of transactions will come from circular products and services by 2030'. *The Economist*'s showcase 'The World Ahead 2023' featured this work, receiving 1.6 million views in the first week.

Throughout 2021 and 2022, the Fashion Initiative continued to advance and inform policy, with the aim of supporting the creation of the enabling conditions for the circular economy for fashion to emerge at scale. This includes the Foundation developing its perspectives on the EU Textiles Strategy, Extended Producer Responsibility (EPR), and the forthcoming EU Ecodesign for Sustainable Products Regulation. These perspectives have been shared with key EU, national, and institutional policymakers, as well as with Foundation's Network and relevant media.

To further leverage the momentum created by the Circular Design for Fashion, and elevate the profile of the Ellen MacArthur Foundation in the fashion industry, in early 2022 the Charity formalised a partnership with the fashion council responsible for organising Milan Fashion Week, Camera Nazionale della Moda Italiana, and collaborated to scope, prepare criteria, judge, and bring the Fashion Initiative's narrative to these Sustainable Fashion Awards in Milan for the first time with a specific Circular Economy Award for September 2022.

The Foundation has also convened leading organisations working on circular design guidelines in a dedicated Circular Design working group, in order to create alignment and reduce duplication of work in the industry. This involved hosting six sessions, convening leading members interested in aligning, sharing progress, and raising the ambition on language, material inputs, durability, and recyclability.

The Jeans Redesign project has continued in its second phase during 2022, with around 100 organisations (including brands, fabric mills, and manufacturers) from 20+ countries, working to create products that meet The Jeans Redesign Guidelines, all due on the market by 2023. To report robust insights on progress made by the participants, this year the Foundation has reworked the reporting mechanism to make their reporting easier and capture accurate insights to inform the Q3 2023 report, due in July 2023.

In China, the Foundation continued to strengthen its partnership with CNTAC (China National Textile and Apparel Council) and Shanghai Fashion Week as partners to help disseminate the Fashion Initiative's narrative to key stakeholders including policymakers, media, and creatives. The Foundation provided expert input to a study conducted by CNTAC on the current state of play of the circular economy in the denim industry, due to be published in January 2023.



The Foundation's **Food Initiative**, launched in 2019, has had a year of two halves. Following the launch of the *Big Food Redesign* report in September 2021, the work of the Foundation has pivoted away from food and cities and moved into the next phase, focusing on the role of food design can play in creating a nature-positive food system.

The initiative works with Partners Danone, Google, Nestlé, Unilever, Coca-Cola, and The Sustainable Food Trust, and continues to engage with the Foundation's Strategic Partner cities London, New York, and Sao Paulo. Following a successful bid, the Food Initiative is primarily funded by the People's Postcode Lottery, supported by the Schmidt Foundation and the Foundation's corporate partners.

Food and cities – phase two comes to an end

The active role that the Foundation has played in convening food value chain actors within the Strategic Partner cities has been invaluable in mobilising demonstration activities within the cities that otherwise would likely not have emerged and progressed during the second phase of the programme. As well as working in the three key cities, the Foundation has worked with another 15 cities to mobilise activity towards a circular food system. During 2022, the Foundation has interviewed all the participant cities and captured good practice, stories, and lessons learned. These articles were published to coincide with COP27.

Circular Design for Food – phase three kicks off
Following the launch of *The Big Food Redesign* report in September 2021, phase three of the Food Initiative was established. The report identifies five actions businesses can take to drive forward a nature-positive food system. Over the next phase of the initiative, the Foundation will work with companies in its Network to bring the vision of *The Big Food Redesign* to life. In May 2022, the Foundation was successful in a bid to the UK People's Postcode lottery and awarded £1.25m towards the development of a global food challenge which will launch in April 2023. The food challenge was also successful in receiving funding from the Schmidt Foundation and the work to design and develop the challenge began in June 2022. This Big Food Redesign Challenge will bring together big and small food companies to redesign or renovate food products incorporating the circular design for food principles to create food products that are designed for nature to thrive. The challenge will run from April 2023 to October 2024 and culminate in a high-profile product launch event.

Alongside the development of the Big Food Redesign Challenge, the Food Initiative continues to engage with the broader food landscape, broadening its network and influencing the sector towards a common vision of a circular economy for food. The ongoing focus for the Food Initiative is supporting organisations to develop common frameworks and definitions that enable regenerative practices. Examples of this work include:

- **Sustainable Food Trust (SFT)**: building on the successful relationship established in phase two of the Food Initiative, the Foundation has cemented its relationship with SFT, and the organisation has formally joined the Foundation's Network as a Partner and has taken up a seat on the Food Advisory Board. SFT is the Foundation's delivery partner for the Big Food Redesign Challenge.
- **One Planet Business for Biodiversity (OP2B)**: an international business coalition on biodiversity hosted by the World Business Council for Sustainable Development, with a specific focus on agriculture. Building on the Foundation's existing relationship, OP2B has chosen to utilise the Big Food Redesign Challenge as its delivery pathway for their work pillar on the diversification of ingredients. OP2B will join the Foundation's Network as a Member.
- **Sustainable Markets Initiative Agri taskforce**: led by the then Prince, now King, Charles this taskforce brought together 15 of the biggest food organisations to develop an action plan to scale regenerative agricultural practices. The Foundation's *Big Food Redesign* research on UK potatoes fed into this report and the resulting action plan includes a specific action to design food to enable regenerative farming rotations.
- **EFRAG**: As a technical advisor to the European Commission, EFRAG has been tasked with the development of draft EU Sustainability Reporting Standards, covering circular economy as one of the six key environmental topics. The Foundation has provided input and evidence to support the development of relevant circular economy disclosures in both sector-agnostic and sector-specific standards, including for the food and beverage and agriculture and farming industries. In all cases, the Foundation has promoted the inclusion of language and disclosures to support regenerative outcomes throughout the food system. These standards will create mandatory reporting requirements for ~50,000 companies in Europe.
- **Sustainable Restaurants Association (SRA) Food Made Good rating**: The Food Made Good rating is the world's largest and most comprehensive sustainability audit for Food Service Businesses (FSBs). The Foundation has inputted to the SRA's Food Made Good global rating redraft due to be released in 2023.

INSTITUTIONS, GOVERNMENTS, AND CITIES *create the enabling conditions for a circular economy, set direction, and drive innovation and investment.*

Climate workstream:

COP26 in Glasgow was a major milestone for the Foundation, with events in both the official Blue and Green zones, including an oversubscribed IMAX session in which some of the Charity's teams took part, as well as hosting online events. The Foundation also held an in-person week 1 Circular Economy Café space, facilitating exchanges and broadcast moments, and Dame Ellen MacArthur participated in the *New York Times* Climate Hub headline sessions, which also included Foundation team members.

In Sharm El Sheikh for COP27, logistics meant that the Foundation sent a smaller team, but throughout the two weeks it built on the work from COP26 and focused on enhancing the visibility of the circular economy. Working with the Foundation's network and new contacts, the climate team spoke in or moderated eight official Blue zone panels covering all the Foundation's key areas of Food, Plastics, Fashion, Finance, policy, business, and the built environment. The Foundation was also offered one of only six non-member state seats at the Global Stocktake

Focused Exchange roundtable with national delegations bringing the circular economy contribution to this discussion.

In order to progress this work on climate, the Foundation has appointed a Lead for the topic, reinforced its UNFCCC position, and started planning for COP28.

Policy workstream:
There are three main headlines that emerge in regard to the Foundation's other policy work:

- The circular economy conversation is now firmly global
- The Foundation is deliberately reinforcing the business–policy interface
- The Foundation's high-level institutional partnerships are going from strength to strength.

The circular economy discussion is becoming both deeper and broader, with a greater understanding of the transformative power of upstream interventions, for example circular design was introduced for the first time at the G20 by the EU, who asked the Foundation to shape the official workshop (in the same way that it had facilitated the fashion one).

In 2021, the Foundation signed a Memorandum of Understanding with the Italian G20 Presidency, to advise on circular economy matters – it is unprecedented for a not-for-profit to do this, as far as we know. The Italian G20 Leaders' Declaration has the highest number of circular economy references in it, and in 2022 the Foundation was also referenced in the G7 Resource Efficiency & Circular Economy Roadmap led by the German government.

In addition, there is greater global uptake of the circular economy framework, and the Foundation is now a Strategic Partner to the Latin American and Caribbean Circular Economy Coalition and the African Circular Economy Alliance, which bring together a combined total of about 25 national governments.

As the topic of the circular economy becomes more international, its trade implications are acknowledged, and the Foundation is keeping close to various World Trade Organisation workstreams, being for example involved in its 'Informal Dialogue on Plastics'.

At European level, the Foundation has actively informed both the Textiles Strategy and the Sustainable Products Initiative via official White Papers and working group contributions.

The Foundation has also recently joined the Advisory Board of the Circular Cities and Regions Initiative – a network of local demonstration projects underpinned by 250 million euro of European Investment Bank funding.

Institutions, governments, and cities and Latin America

The Foundation remains a founding Strategic Partner of the Latin America and the Caribbean Circular Economy Coalition (the 'Coalition'), alongside another seven international institutions (UNEP, UNIDO, WEF, IDB, KAS, CTCN, PACE). This has provided a platform for engagement with national governments in the region, reinforcing the Foundation's position as a key reference point for the circular economy. During the fiscal year, the Foundation also led the development of a vision for the circular economy in the region, which was published by the Coalition in February 2022, and serves as a reference point for the Coalition's engagements with businesses and policymakers in the region around the topic.

Throughout the fiscal year, the Foundation also engaged with leading Latin American cities such as its Strategic Partner São Paulo and Partner Curitiba, as well as Salvador, Rio de Janeiro, Bogotá, and Buenos Aires. This included consultative support to local circular economy initiatives as well as the production of São Paulo's first circular economy week, which was attended by approximately 150 participants in person and 700 online. The opening ceremony, which took place on 7 May 2022, included speeches by the Municipal Secretary of International Relations, Marta Suplicy, and the Municipal Secretary of Economic Development and Labour, Aline Cardoso.

*WITHIN **LEARNING** the Charity works across ages and disciplines to develop the vision, skills, and mindsets needed to transition to the circular economy*

LEARNING HUB

The Charity continues to make a wide range of resources freely available via its website and digital channels. Learning deep dives on topics such as plastics, fashion, design, and cities continue to be among the most visited parts of the Foundation's website, generating thousands of visits per month.

In formal education, the Charity developed a curriculum with several education providers including LEGO, reaching over 100,000 young people directly with circular economy education at school. The work with LEGO represented a first significant engagement with 5–8 year olds.

The Charity has also continued to play a role in informing wider curriculum work building on work with the International Baccalaureate (IB), in which circular economy principles were embedded in the economics and geography curriculum. Specifically, the Charity has engaged with stakeholders from curriculum providers such as Pearson as they respond to the Department for Education and Schools mandate on climate and circular economy learning.

The Charity concluded a two-year project to engage young people in Africa through a combination of learning programmes targeted at entrepreneurs and school-age children working with delivery partners. The programme reached over 1,000 young working age people with circular economy insights, and also 1,000 school-age teenagers, inspiring them with the potential of a circular economy.

In higher education, the Charity has continued to grow its interaction with universities across the globe. Over 75 universities are profiled on the Charity's website, but the overarching reach and engagement of working with and informing universities on research, curriculum, and thought leadership numbers in the hundreds.

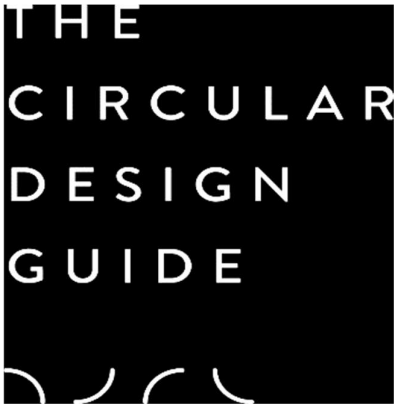
In 2022, the Charity put together a vision statement with a cluster of more than 30 further and higher education actors in London. This included hosting an event attended by more than 80 stakeholders on the potential for educational institutions to shift towards the circular economy for food through procurement practices.

In professional learning, over 200 business professionals from the Charity's Network attended the Circular Economy Masterclass run by the University of Exeter in collaboration with the Charity. The Charity has also developed an introduction to the circular economy course and an implementation course free to all employees of the Network and available on the Charity's digital community platform.

The Charity continues to evolve its production and innovative learning engagement activities including through its live YouTube show, which reaches 6 million viewers annually and has now featured over 60 episodes. And through its 100+ episode podcast, which ranks in the top five across several categories on Apple and Spotify in terms of listeners and engagement.

Learning and Latin America

In collaboration with Sistema B, between 2 November and 7 December 2021, the Charity delivered the free, online, and interactive *From Linear to Circular: Latin America* course. The invite-only course was offered in multilingual format – English, Portuguese and Spanish – to 795 people from across businesses, start-ups, public institutions, and academia in Latin America, and presented an excellent opportunity to build circular economy knowledge among key audiences, while expanding the Foundation's local network of circular economy practitioners and enthusiasts.



The charity has continued to accelerate the uptake of circular design by driving forward three strategic pillars: developing a compelling circular design concept, building a thriving movement of practitioners, and catalysing action by encouraging companies to put the concept into practice.

Developing the concept of circular design has taken place in two major phases in 2021–22. In May, the Charity launched a new section of the Ellen MacArthur Foundation website dedicated to circular design. This included a comprehensive explanation of the connection between the circular economy and design, and the need for systemic, upstream solutions. The section also includes new visuals for designers, case studies, and a library of tools and resources developed by the Charity and other trusted institutions in the design space. In the month following the launch, this new section was the seventh most popular on the Charity's website, highlighting the appetite for design inspiration and solutions.

Following the launch of this section, the charity focused on advancing the understanding of how circular design can be applied by organisations. In March 2023, the charity will launch a major contribution to global design discourse, with a publication outlining the six key points design and innovation teams can take to accelerate the transition to a circular economy.

Alongside developing this deeper understanding of circular design, the charity has promoted the topic at events such as COP26, What Design Can Do, World Industrial Design Day, G20 Workshop, Pentawards Festival, NEXT Design Perspectives, and Hong Kong Knowledge of Design Week.

Participating in such events has been key to the vision of building a thriving international movement of circular designers and innovators. This vision is gaining traction and the Foundation's circular design narrative has appeared in major design publications such as *Design Wanted*, *It's Nice That*, *Dezeen*, *DesignWeek*, *Design Milk*, and *Drapers*, among others.

To further engage designers around the topic of the circular economy, during the summer of 2022 the Charity delivered a series of four one-day circular design workshops in Guangzhou, Shenzhen, Beijing, and Shanghai. The 150 participating design influencers from business, consultancy, manufacturing, finance, and NGOs expressed positive feedback, and said that they felt more connected to their peers and inspired by the possibilities the circular economy offers for creatives.

Further demonstration of the influence within the design community can be seen in the response to the *Circular Design for Fashion* book. The publication, now on its second print run, has received numerous prestigious design awards, including those from Cannes Lions, The One Show Awards, D&AD Awards, and Red Dot Design Awards.

On the ambition of catalysing action, in 2022 the Charity placed particular focus on the Circular Design Leaders – a committed group of 25 senior designers from within the Charity's business network, all with a shared circular economy agenda.

In September 2022, the Charity, together with IDEO, met with the Circular Design Leaders at the CY Design School in France for a three-day speculative design sprint, in which the group explored what the future design function within a circular-ready organisation would look like. The feedback from the sprint showed that this group of influential decision-makers had developed a more focused plan to drive the circular economy transition throughout their innovation teams and wider organisation. In the next phase of this work, the Charity will deepen engagement with this working group to accelerate the design and scaling of circular economy solutions.

*Through its **COMMUNICATIONS** channels, the Charity disseminates leading examples of circular economy activity by businesses and policymakers around the globe.*

The Charity's communications efforts continued to support its 2025 strategy, with a particular focus on three core pillars: building a common voice with the Network and beyond, growing interest in the Charity's work, and identifying communications opportunities that will drive impact.

The Foundation launched a Common Voice communications toolkit for the Network, and a Circular Economy Glossary (in partnership with Ikea). These assets aim to support the Network and others to speak with a common voice, use a common language, and demonstrate action towards the circular economy. Speaking as a collective, will increase the scale and impact of the Foundation's messaging and radically accelerate industry transformation, mobilise investors and policymakers, and inspire organisations' employees and the public. By the end of the financial year, the Glossary had received nearly 7,000 website views and the Toolkit was shared directly with the Network via the Charity's Community Platform.

To support the Common Voice agenda with the Network, the Foundation developed an interview series — *Transforming Business: the leading voices of the circular economy* — with representatives from its Strategic Partners and Partners. In the series, these individuals and organisations discussed how they are innovating and scaling circular economy solutions, the challenges they face, and how much more needs to be done to shift the system. The Foundation built a targeted paid campaign to support the series, and achieved 1.4 million views of the content (up to August 2022).

In November 2021, the Charity started to test a simplified version of its three principles to enhance memorability of the circular economy. Using just three words, '*Eliminate, circulate, regenerate'*, the Charity's simplified messaging encourages audiences to understand that the circular economy is a bigger idea – one that is designed to regenerate nature, in addition to eliminating waste and pollution, and circulating products and materials at their highest value. First launched at COP26, this simplified messaging has become fully embedded in the Charity's communications about the circular economy and is being positively adopted by the Network and beyond.

To increase interest in the Charity's work, there is a continued focus on growing the key audiences. Across the Charity's digital marketing channels, following figures increased from 488,231 (August 2021) to 577,690 (August 2022), an increase of 18.3%. The Foundation started a new TikTok account to target learners and future enablers of the circular economy, and continued to invest in native broadcast content, particularly on YouTube and increasingly on its main podcast channels (Spotify, Apple Podcasts, etc). The Foundation's video content, in various formats and across all digital channels, was watched over 16 million times.

In the media, the Charity was referenced over 11,000 times, continuing an upward trend and an increase of 6% year on year. This included references in articles by the *Financial Times*, *Bloomberg*, *New York Times*, *Fortune*, *Vogue*, *Vogue Business*, *Time*, *National Geographic*, *Bon Appetit*, *Wired*, *Forbes*, *Wall Street Journal*, and many more Tier 1 outlets. The Foundation was also featured in major broadcast channels such as BBC News, Sky News, and Bloomberg, as well as in a short documentary on BBC World News.

Key communications opportunities from the Charity included *The Big Food Redesign* (food), *The Nature Imperative* (biodiversity), the *Global Commitment Progress Report* (plastics), *Circular Business Models* (fashion), *Circular Design for Fashion Book* (fashion) and *Flexible Packaging* (plastics). Supported by communications strategies of varying degrees, the launches of these publications were highly targeted, which helped the majority of launches to achieve above-benchmark success across digital marketing channels and strong media coverage.

The Charity brought its mission — to accelerate the global transition to a circular economy — to COP26. The conference was a milestone moment in the global transition to a circular economy, and the Foundation hosted and participated in a series of events demonstrating that the circular economy is key to tackling global challenges, including climate change and biodiversity loss. These events included an over-subscribed film screening and panel discussion at the Glasgow Science Centre IMAX Cinema in the COP26 Green Zone, to explore how the circular economy can tackle climate change in two specific sectors — food and mobility. In collaboration with the *New York Times*' Climate Hub, the Foundation hosted a Circular Economy Café, which also acted as a demonstration space, showcasing circular economy solutions in action.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

There were more than 4,000 in-person attendees at the hub and more than 100,000 views of the *New York Times*' Climate Hub online content. The Foundation's paid and organic social media campaign, which linked the Charity's core circular economy messaging (eliminate, circulate, regenerate) to its climate narrative, achieved 3.5 million impressions across all channels. The Foundation's videos, *How the circular economy tackles climate change* and *Designing a food system that's positive for nature and our climate*, have achieved more than 73,000 YouTube views to date (August 2022). And the one-minute explainer, *Why the circular economy is key to addressing climate change*, has reached over 200,000 views.

The Foundation announced partnerships with Economist Impact on a podcast series, Camera Nationale della Moda Italiana (CNMI) for their upcoming Sustainable Fashion Awards, and collaborated with WWF on a campaign in support of a UN Treaty for Plastics.

In Latin America, the Foundation supported the development of the circular economy vision for the Latin American and the Caribbean Circular Economy Coalition, which aims to create alignment and cooperation between countries in the region and guide future projects. This was communicated via a region-wide media approach, and was published in 128 articles.

In China, with the approval of its International NGO status, the Foundation was able to build channels and create localised content for its China audiences. The Foundation opened its first WeChat account, using it as a platform to share information about the circular economy and to announce Charity milestones. The Foundation also undertook media launches, activated the channels of media and other partners to support a common voice in China, and wrote original content that connected the circular economy to timely topics that are highly engaged with such as the EU's Sustainable Products Initiative and flexible packaging during China's double eleven shopping festival.

Communications and Latin America
The Latin America team continued to work with the local PR agency, Sherlock Communications, to secure coverage in leading local publications, including UOL, El Tiempo, and Forbes Centroamerica. This work has resulted in 698 pieces of coverage, reaching 9.47 million estimated views in 2022. The Foundation's Latin American social media following also grew 26% during the fiscal year.

In addition to supporting global Ellen MacArthur Foundation campaigns, including the call for a UN Plastics Treaty, the Foundation's regional office led the coordination of the launch campaign for the Latin America and the Caribbean Circular Economy Coalition's vision document, working in conjunction with the Coalition's other strategic partners. The campaign resulted in 128 media articles being published, with a potential reach of 4 million people.

The period also marked the beginning of production for a web series on the topic of circular food design, to be launched in March 2023, and the translation of the Ellen MacArthur Foundation's website into Portuguese and Spanish, aiming to increase local audience's engagement with circular economy content and news.

STRATEGIC REPORT – LOOKING AHEAD

As 2025 approaches, the Charity will continue to reinforce the economic case for the transition to the circular economy, using case studies from the Network to further demonstrate this, and to promote solutions and approaches that have the potential to scale. In reinforcing the economic case, the Foundation will again consider the whole economic system including building demand, a focus on longer-term economics, regulatory requirements, brand equity, and transitionary finance.

It will continue to focus on the demonstrator programmes of Plastics, Food, and Fashion, working with multiple actors across the system to develop and showcase a circular economy approach within key industries. This work will be underpinned by enabling opportunities pointed to by its Finance and Design initiatives. At the same time, it will continue to work on taking the discussion upstream, and on activating the Network around an upstream agenda, that covers technical materials and regenerative practices.

While working towards its 2025 strategic target of building unstoppable momentum towards the circular economy, the Foundation is also turning its attention towards 2030 (and beyond).

The Charity's leadership team has initiated a Strategy 2030 planning process which will continue through the current financial year. Ultimately, it will integrate the 2025 objectives into this longer-term plan, which will see the Charity having a seven-year vision to 2030, with more defined plans for Year One and the next three years.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

This strategy development exercise is being led by the leadership team but there is involvement from across the organisation via surveys and discussion groups, as well as from some key external stakeholders. Research is being carried out to provide insight on the external environment and to integrate existing data around the Foundation's impact to date on the transition to the circular economy. This work will be completed by the end of the current financial year, although it will inevitably be a constantly evolving exercise, as the external environment continues to shift.

The work being done will shape the ongoing organisational development of the Foundation over the coming years, but the overall charitable objectives remain constant. As such, the team remain focused on delivering against their existing commitments, as well as future goals.

FUNDING MODEL

The Charity's funding continues to come from two main sectors: corporate partnership / membership, and philanthropy. No funding is generated from the general public. The Trustees monitor the activities of Ellen MacArthur Foundation and Ellen MacArthur Foundation Trading Limited in relation to fundraising.

From the philanthropic community the Charity receives both unrestricted (core) and project funding. In the year, core funding was received from MAVA Fondation pour la Nature, SUN (Foundation for Environmental Economics and Sustainability), Oak and Postcode Earth Trust. Eleven funders supported projects and initiatives including the Schmidt Family Foundation, the Eric & Wendy Schmidt Fund for Strategic Innovation, SUN (Foundation for Environmental Economics and Sustainability), MAVA Fondation pour la Nature, Wilsdorf Foundation, Postcode Innovation Trust, The OAK Foundation, Calouste Gulbenkian Foundation, Stiftung Auxilium, Stichting Doen, and Ikea Foundation. The Charity continues to seek opportunities to increase its core and project funding from trusts and grant awarding bodies.

FINANCIAL REVIEW AND RESERVES POLICY

The statement of financial activities for the year ended 31 August 2022 is set out on page 26 of this report.

Income

Total incoming resources for the year decreased by £536,000 to £17,394,000, a decrease of 3% on the previous financial year (2021: £17,930,000). The income received was predominantly from donations of £11,555,000 which accounts for 66% of income received in the year (2021: £13,263,000 – 74%).

The decrease in reported income for the year is mainly attributable to reduced funding for projects and international outreach programmes due to the timing of funds (income accounted for in 2021) and in 2021 the Charity reported funding from PPL (People's Postcode Lottery) under their external lottery management license promoting lottery draws on behalf of charities (£2m) which was not continued into 2022. The Charity has a new Network membership structure which has increased the income streams in this area.

Expenditure
Total expenditure for the year increased by £1,447,000 to £16,070,000 (2021: £14,623,000). This increase is largely due to growth. Events, travel, and associated costs also increased significantly in the year due to the lifting of Covid restrictions and the ability to travel and facilitate international workshops.

Investments
The objective of the Charity's investment policy is to preserve and, if possible, enhance the real value of its assets by keeping an appropriate balance between maximising long-term returns while avoiding undue risk and volatility in capital values. The Charity currently invests in interest bearing cash deposits with its bank. These readily realisable investments are reported within the total Cash and Cash Equivalents on the Balance Sheet. Investment gains were £6,000 (2021: £4,000). However, the current investment approach is being reviewed in order to consider potential to improve management of the Charity's assets, taking into account risk, return, and ethical imperatives. To that end, the Charity has assessed potential investment managers to work with and is aiming to engage these services in the near future.

Reserves Policy
As of 31 August 2022, the Charity had consolidated net assets of £22,390,000 (2021: £21,066,000), primarily representing cash at bank of £17,643,000 (2021: £18,234,000). The amount of cash at bank has decreased in the period due to the timing of income receipts, offset by increased debtors, together with increased profits in the trading

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

subsidiary. Of the net assets, £5,217,000 (2021: £7,392,000) are restricted income funds which are held for the completion of projects undertaken by the Charity. The Trustees ensure the overall health of the Charity by requiring its free reserves (the sums retained to withstand any short-term financial risk) to be closely monitored. The reserves policy is considered annually by the Trustees. At 31 August 2022 the Charity's free reserves stood at £8,573,000 (2021: £5,938,000), and the increase reflects the timing of core projects and activities undertaken. At approximately 10 months of charitable operating expenditure, this is slightly outside of the Charity's policy to maintain 6–9 months of operating costs in reserve. The Charity continues to operate in an uncertain economic environment in which the timing of the funding for new and substantial projects are both uncertain and irregular. The Charity remains vigilant to ensure funding is in place to undertake future projects and operations. The Charity remains a dynamic organisation, which has seen rapid growth of, and interest in, its activities, and such a level of reserves is considered sufficient to unwind the ongoing commitments to projects and the financial obligations from contracts in place.

Subsidiaries
The profit distributed to the Charity during the year from the trading subsidiary was £1,746,000 (2021: £1,948,000) as detailed in note 6 to the accounts, and subsequent to the year-end £3,023,000 has been distributed to the Charity. Profits made in the trading subsidiary are detailed in note 7 to the accounts. The results for the two sister charities are shown as designated funds and can be seen in note 7 to the accounts.

Going Concern
The Trustees have reviewed the financial position and financial forecasts, taking into account the systems of financial control and risk management. As a result of this review, the Trustees believe that the Charity is well placed to manage operational and financial risks successfully. Accordingly, the Trustees have a reasonable expectation that the Charity and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to support the going concern basis of accounting in preparing the annual accounts.

RISK MANAGEMENT

The nature and range of the Charity's operations presents numerous and varied risks, including those relating to:

- people (including retention and recruitment);
- finance (including reliability of income and management of capital);
- legal and regulatory risk and compliance (including in relation to personal data, health and safety, charity law, and disputes, both in the UK and across the Charity's international operations);
- reputation (including protection of brand and IP against third-party challenge);
- structure and operations (including in relation to counterparty diligence, IT and cyber security, culture and performance);
- strategy (including clarity and relevance of mission).

The Trustees monitor and manage risks by way of a risk register, detailing relevant risks, which is compiled internally (and kept up to date as risks change) under the leadership of the CEO and COO, and a risk summary, which is drawn from the risk register. This identifies the most significant risks (from time to time), to ensure those risks are recognised and receive appropriate Trustee focus. The risk register and risk summary – which include risk mitigations and internal responsibilities – are presented to the Trustees annually by the CEO and COO.

Risks are managed on a day-to-day basis by the Executive Leadership Team and Leadership Team, whose members have individual and/or collective delegated responsibilities for given matters.

The key current risks being carefully and actively managed, but not perceived to carry high significance are:

1. threats to reputation, through misuse of brand, misunderstanding of or challenges to mission and concept;
2. threats to income and capital, arising through the funding model (and wider economic challenges); and
3. threats to operations, including through challenges faced by the Charity's people as a result of cost-of-living increases and working (office/location) arrangements.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for their annual report and the preparation of financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. In the preparation of those financial statements, the Trustees are required to:

- Select suitable accounting policies and ensure they are applied consistently.
- Make judgements and estimates that are reasonable and prudent.
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006 and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They also have responsibility for ensuring that the Charity has appropriate systems and controls (financial and otherwise) and that reasonable steps are taken for safeguarding the assets of the Charity and for the prevention and detection of fraud and other irregularities.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

In approving the Trustees Annual Report, we also approve the Strategic Report included therein, in our capacity as Company directors.

Approved and Signed on behalf of the Board of Trustees:



Dame Ellen MacArthur

Date 25 May 2023

AUDIT REPORT
Independent Auditors' Report to the trustees and members of Ellen MacArthur Foundation

Opinion

We have audited the financial statements of the Ellen Macarthur Foundation which comprise the Group and Parent and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 trustees' 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 group's and parent charitable 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 trustees 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 trustees are responsible for the other information contained in 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.

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 course of 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 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.

AUDIT REPORT (continued…)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees 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 trustees 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 group and parent 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 group or parent 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

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

AUDIT REPORT (continued…)

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

……

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 25.May.2023

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 as restated £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	7,691	3,864	11,555	13,263
Charitable activities	4	8	-	8	10
Income from other trading operations	7	5,825	-	5,825	4,651
Investments	5	6	-	6	4
Other income		-	-	-	2
TOTAL INCOME		13,530	3,864	17,394	17,930
EXPENDITURE ON:					
Fundraising costs	8	301	-	301	151
Commercial trading operations	7	3,258	-	3,258	2,762
Charitable activities	8	6,165	6,260	12,425	11,630
Other	8	86	-	86	80
TOTAL EXPENDITURE		9,810	6,260	16,070	14,623
NET INCOME/(EXPENDITURE)		3,720	(2,396)	1,324	3,307
Transfers between funds		(221)	221	-	-
NET MOVEMENT IN FUNDS		3,499	(2,175)	1,324	3,307
RECONCILIATION OF FUNDS					
Fund balances as at 1 September 2021		13,674	7,392	21,066	17,759
Fund balances as at 31 August 2022		17,173	5,217	22,390	21,066

The Statement of Financial Activities includes all gains and losses in the period.

All incoming resources and resources expended derive from continuing activities.

A full comparative statement of financial activities is shown in note 2.

CONSOLIDATED AND CHARITY BALANCE SHEET
At 31 August 2022

	Notes	Group 2022 £'000	Group 2021 as restated £'000	Charity 2022 £'000	Charity 2021 as restated £'000
FIXED ASSETS					
Tangible fixed assets	11	735	751	382	447
Fixed asset investment	12	-	-	-	-
		735	751	382	447
CURRENT ASSETS					
Debtors	13	8,238	5,997	6,724	5,137
Cash at bank and in hand		17,643	18,234	13,503	14,451
		25,881	24,231	20,227	19,588
CREDITORS					
Amounts falling due within one year	14	(4,226)	(3,916)	(1,568)	(1,647)
NET CURRENT ASSETS		21,655	20,315	18,659	17,941
TOTAL NET ASSETS		22,390	21,066	19,041	18,388
FUNDS					
Unrestricted funds					
Unrestricted general funds	15	17,173	12,424	13,824	9,746
Designated fund	15	-	1,250	-	1,250
		17,173	13,674	13,824	10,996
Restricted funds	16	5,217	7,392	5,217	7,392
		22,390	21,066	19,041	18,388

The financial statements on pages 26 to 47 were approved by the Board of Trustees and signed on its behalf by:



Dame Ellen MacArthur

Dated: 25 May 2023

Company Registration Number: 06897785

The notes on pages 29 to 47 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
Year ended 31 August 2022

	Notes	Group 2022 £'000	Group 2021 as restated £'000
CASH FLOW FROM OPERATING ACTIVITIES	(Below)	(417)	3,413
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(180)	(255)
Interest received		6	4
NET CASH FLOW FROM INVESTING ACTIVITIES		(174)	(251)
Net (decrease)/increase in cash and cash equivalents		(591)	3,162
Cash equivalents at 1 September 2021		18,234	15,072
CASH EQUIVALENTS AT 31 AUGUST 2022		17,643	18,234
Cash and cash equivalents consists of:			
Cash at bank and in hand		17,643	18,234
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2022		17,643	18,234

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:

	2022 £'000	2021 as restated £'000
Surplus for the year	1,324	3,307
Depreciation	195	147
Loss on disposal of fixed assets	1	-
Interest received	(6)	(4)
Movement in deferred income	122	(5)
Movement in creditors	188	324
Movement in debtors	(2,241)	(356)
Net cash flow from operating activities	(417)	3,413

ANALYSIS OF CHANGES IN NET DEBT

	As at 1 September 2021 £'000	Cash-flows £'000	As at 31 August 2022 £'000
Cash	18,234	(591)	17,643
Bank charge cards repayment on demand	(5)	(62)	(67)
	18,229	(653)	17,576

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General information and basis of preparation
The Ellen MacArthur Foundation is a charitable company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as an Educational and Research Charity with the aim to inspire a generation to re-think, redesign and build a restorative circular economy.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on October 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group accounts

Ellen MacArthur Foundation Trading Limited is a wholly owned UK trading subsidiary. Ellen MacArthur Foundation Inc. (US) and Ellen MacArthur Foundation Brazil are also considered to be subsidiaries, within the requirements outlined in the Charities SORP, because Ellen MacArthur Foundation UK ("EMF UK") has the power to govern financial and operating policies as set out in specific clauses included within each of the charities constitution documents and, in the event of dissolution, remaining assets will be transferred to EMF UK. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of EMF UK, EMF Inc and EMF Brazil are identical and the objects of all three organisations are closely matched within each respective memorandum and articles of association thus ensuring that EMF Inc and EMF Brazil contribute to the aims and purposes of EMF UK and benefits common beneficiaries.

All financial statements are made up to 31 August, and the results are consolidated on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made on consolidation to bring the accounting policies used into line with those used by other members of the group.

The summary financial information relating to the subsidiary entities are shown in Notes 7 and 12.

Fund accounting
- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where donations relate to a work programme based on academic years, then receipt in advance is deferred to the appropriate year.
- For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

Income recognition (continued)

- Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example: the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure;
- Value in Kind commitments on projects is often used as a method to obtain engagement with funding partners on projects, although these are not within the Charity's control, and cannot be verified, and as a result a fair value estimate cannot be determined to be included in the accounts.
- No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).
- Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Investment income is earned through holding assets for investment purposes such as funds on deposit, shares and property. It includes interest. It is included when the amount can be measured reliably.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Accrued income
The amounts receivable on future dates under signed funding agreements are included in accrued income.

Cash
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 100 days or less, and bank overdrafts.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes activities to seek out and agree terms with major donors, together with the costs of the trading subsidiary;
- Expenditure on charitable activities includes project costs on the charity's various projects as identified in the notes to these accounts; and
- Other expenditure represents those items not falling into the categories above including governance costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Creditors
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Pension
The charity has a defined contribution pension scheme for all eligible employees. The assets of the scheme are held separately to the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable for the year.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

Financial assets and liabilities
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial assets (which include debtors and bank and cash balances) and basic financial instruments (which includes creditors) are initially measured at transaction price including transaction costs, and are subsequently carried at amortised cost. Financial assets classified as receivable within one year or financial liabilities classified as payable within one year are not amortised.

Fixed Assets and Depreciation
Assets costing more than £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment	25% and 33%	Straight line
Furniture and equipment	20% and 25%	Reducing balance
Improvements to leasehold property	10% to 33%	Straight line, over the duration of the lease

Taxation
No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

Foreign Currency Transactions
Transactions in foreign currencies are translated into Sterling at the average rate prevailing for the month in which they occur. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date.

The results of the US and Brazil sister charities are translated at average rate (income and expenses) and closing rate for the purposes of Consolidation.

Judgements and key sources of estimation uncertainty
In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern
The financial statements are prepared on a going concern basis which assumes the charitable group will continue in operational existence for the foreseeable future. Whilst the charity's income has declined during the year under review, this was largely attributable to the timing of restricted funds and the one off lottery funding in 2021 and has not significantly affected the group's financial position. The trustees have reviewed the forecasts and projections prepared by management for a period of at least twelve months from the date of approval of the financial statements and are satisfied that the assumptions used in their preparation are reasonable. Having made enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group will continue to meet its liabilities as they fall due and accordingly continue to adopt the going concern basis in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds as restated £'000	Restricted Funds as restated £'000	Total 2021 as restated £'000	Total 2020 as restated £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		6,993	6,270	13,263	8,099
Charitable activities		10	-	10	17
Income from other trading operations		4,651	-	4,651	4,258
Investments		4	-	4	18
Other income		2	-	2	-
TOTAL INCOME		11,660	6,270	17,930	12,392
EXPENDITURE ON:					
Fundraising costs		151	-	151	353
Commercial trading operations		2,762	-	2,762	2,205
Charitable activities		4,154	7,476	11,630	8,688
Other		80	-	80	220
TOTAL EXPENDITURE		7,147	7,476	14,623	11,466
NET INCOME/(EXPENDITURE)		4,513	(1,206)	3,307	926
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		4,513	(1,206)	3,307	926
RECONCILIATION OF FUNDS					
Fund balances as at 1 September 2020		9,161	8,598	17,759	16,833
Fund balances as at 31 August 2021		13,674	7,392	21,066	17,759

NOTES TO THE FINANCIAL STATEMENTS (continued...)

3. DONATIONS, LEGACIES AND GRANT INCOME

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021 as restated
	£'000	£'000	£'000	£'000
Learning:				
The Schmidt-MacArthur HE Programme	-	425	425	646
Business:				
Global Partner Donations	3,600	-	3,600	1,085
Network income	900	-	900	1,350
Core Funding:				
Core Philanthropic Funding	2,114	-	2,114	1,570
Peoples Postcode Lottery	-	-	-	2,019
Other donations	106	-	106	124
Institutions, Governments and Cities:				
Specific Research Projects	833	472	1,305	1,036
International Outreach	138	1,765	1,903	2,189
Systemic Initiatives:				
New Plastics Economy Initiative	-	25	25	2,991
Make Fashion Circular	-	65	65	-
Cities and Circular Economy for Food	-	1,112	1,112	253
Total grants and donations	7,691	3,864	11,555	13,263

For details of the grant income and restricted funds, please refer to note 16. As part of funding agreements, for many projects, the Foundation seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

Peoples Postcode Lottery

The net lottery income proceeds received are analysed as follows:

	2022	2021
	£'000	£'000
Ticket value	-	6,311
Prize fund	-	(2,524)
Management fee	-	(1,768)
Net lottery income in the year	-	2,019

NOTES TO THE FINANCIAL STATEMENTS (continued...)

3. DONATIONS, LEGACIES AND GRANT INCOME (continued)

Comparative Donations, Legacies and grant income

	Unrestricted Funds as restated £'000	Restricted Funds as restated £'000	Total 2021 as restated £'000	Total 2020 as restated £'000
Learning:				
The Schmidt-MacArthur HE Programme	-	646	646	276
Business:				
Global Partner Donations	1,085	-	1,085	1,350
Network income	1,350	-	1,350	-
Core Funding:				
Core Philanthropic Funding	1,570	-	1,570	1,872
Peoples Postcode Lottery	2,019	-	2,019	-
Other donations	124	-	124	-
Institutions, Governments and Cities:				
Specific Research Projects	366	670	1,036	252
International Outreach	479	1,710	2,189	1,864
Systemic Initiatives:				
New Plastics Economy Initiative	-	2,991	2,991	349
Make Fashion Circular	-	-	-	1,248
Cities and Circular Economy for Food	-	253	253	888
Total grants and donations	6,993	6,270	13,263	8,099

For details of the grant income and restricted funds, please refer to note 15. As part of funding agreements, for many projects, the Foundation seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

Peoples Postcode Lottery

The net lottery income proceeds received are analysed as follows:

	2021 £'000	2020 £'000
Ticket value	6,311	-
Prize fund	(2,524)	-
Management fee	(1,768)	-
Net lottery income in the year	2,019	-

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Rental income	6	-	6	3
Rechargeable items	2	-	2	7
Total other incoming resources	8	-	8	10

NOTES TO THE FINANCIAL STATEMENTS (continued...)

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Comparative Income from Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Rental income	3	-	3	12
Rechargeable items	7	-	7	5
Total other incoming resources	10	-	10	17

5. INTEREST AND INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Bank interest – monies held in interest bearing deposit accounts	6	-	6	4

Comparative Interest and Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Bank interest – monies held in interest bearing deposit accounts	4	-	4	18

6. FINANCIAL PERFORMANCE OF THE CHARITY

The Consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary Ellen MacArthur Foundation Trading Limited and the results of Ellen MacArthur Foundation Inc., which operate events and services for the Charity and clients. The summary financial performance of the Charity alone is:

	2022 £'000	2021 as restated £'000
Income from donations and legacies	11,417	12,784
Rechargeable items	2	7
Rental Income	6	3
Gift aid donation from subsidiary company	1,746	1,948
Other income	-	2
Investment income	6	4
	13,177	14,748
Expenditure on charitable activities	(12,224)	(11,290)
Cost of generating funds	(301)	(151)
	(12,525)	(11,441)
Net income for the year	652	3,307
Total funds brought forward	18,388	15,081
Total funds carried forward	19,040	18,388
Represented by:		
Restricted funds	5,217	7,392
Designated fund	-	1,250
Unrestricted general funds	13,823	9,746
	19,040	18,388

NOTES TO THE FINANCIAL STATEMENTS (continued...)

7. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

Income from Trading Subsidiary:
The wholly owned trading subsidiary Ellen MacArthur Foundation Trading Limited is incorporated in England and Wales and pays all of its profits to the Charity by distribution. The company operates events for businesses, publishes books, and undertakes commercial trading operations. The Charity owns the £1 ordinary share of the company.

The summary financial performance of the subsidiary above is:

	2022 £'000	2021 as restated £'000
Turnover	5,972	4,651
Cost of sales and admin costs	(3,258)	(2,735)
Profit before tax	2,714	1,916
Tax on profits	-	(27)
Profit after tax	2,714	1,889
Retained earning as previously reported	1,746	1,928
Prior year adjustment	375	252
As restated	2,121	2,180
Distributed to parent during the year	(1,746)	(1,948)
Retained in the subsidiary	3,089	2,121
The assets and liabilities of the subsidiary were:		
Fixed assets	346	300
Current assets	6,172	4,582
Current liabilities	(3,429)	(2,761)
Net assets	3,089	2,121

The turnover figure above included intercompany charges of £147,000, removed on consolidation.

Subsequent to the balance sheet date a distribution of £3,023,000 was made to the Charity.

These Group accounts also include the results of the US sister charitable company Ellen MacArthur Foundation Inc., which for the year generated a deficit of £287,000 (2021: surplus of £80,000) and had reserves carried forward of £270,000 (2021: £557,000).

The Foundation also has a sister charity in Brazil, Ellen MacArthur Foundation Brazil, which for the year generated a deficit of £10,000 (2021 – deficit of £21,000), and has negative reserves carried forward of £10,000 (2021 - £nil).

NOTES TO THE FINANCIAL STATEMENTS (continued...)

8. EXPENDITURE BY ACTIVITY

	Charitable	Support	Other (Governance)	Fundraising	Total 2022	Total 2021 as restated
	£'000	£'000	£'000	£'000	£'000	£'000
Learning:						
The Schmidt-MacArthur HE Programme	355	35	-	-	390	645
Education Projects	1,086	219	-	-	1,305	727
Business:						
Global Partners and Funding	-	70	-	301	371	172
Institutions, Governments and Cities:						
Specific Research Projects	962	155	-	-	1,117	973
International Outreach	2,305	149	-	-	2,454	2,065
Systemic Initiatives:						
New Plastics Economy Initiative	2,585	310	-	-	2,895	2,630
Make Fashion Circular	1,036	2	-	-	1,038	1,541
Cities and Circular Economy For Food	545	54	-	-	599	1,113
Finance	228	53	-	-	281	190
Insight & Communications	1,833	424	-	-	2,257	1,714
Governance						
Audit and accountancy	-	-	72	-	72	55
Legal and professional	-	-	14	-	14	25
Support allocation	-	19	-	-	19	11
	10,935	1,490	86	301	12,812	11,861

Support costs are made up as follows:

	2022	2021 as restated
	£'000	£'000
Communications and IT	224	153
Design, print and office costs	39	26
Rent, and property costs	275	214
Insurances	24	2
Depreciation	70	68
Professional services and consultancy	254	81
Currency translation and finance costs	(7)	18
Staff costs	346	424
Travel training and recruitment	265	102
	1,490	1,088

Support costs are allocated to direct projects, firstly on the basis of any agreed project contribution to support costs, and then on the basis of the total resources incurred in each area.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

8. EXPENDITURE BY ACTIVITY (continued)

Comparative Expenditure by Activity

	Charitable	Support	Other (Governance)	Fundraising	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Learning:						
The Schmidt-MacArthur HE Programme	586	59	-	-	645	550
Education Projects	639	88	-	-	727	546
Business:						
Global Partners and Funding	-	21	-	151	172	421
Institutions, Governments and Cities:						
Specific Research Projects	869	104	-	-	973	480
International Outreach	1,932	133	-	-	2,065	2,296
Systemic Initiatives:						
New Plastics Economy Initiative	2,392	238	-	-	2,630	1,844
Make Fashion Circular	1,401	140	-	-	1,541	1,056
Cities and Circular Economy For Food	1,052	61	-	-	1,113	573
Finance	167	23	-	-	190	134
Insight & Communications	1,504	210	-	-	1,714	1,098
Governance						
Audit and accountancy	-	-	55	-	55	109
Legal and professional	-	-	25	-	25	111
Support allocation	-	11	-	-	11	43
	10,542	1,088	80	151	11,861	9,261

9. THE GROUPS OPERATING SURPLUS INCLUDES THE FOLLOWING AMOUNTS

Included in administrative expenses are the following amounts:	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Auditors remuneration	34	22	27	12
Auditors remuneration in respect of prior years	14	9	16	5
Non-audit services from auditor related firm	18	29	14	22
Non-audit services in respect of prior years	14	6	9	6
Payroll services	8	7	6	7
Taxation services		-		-
Depreciation of owned fixed assets	195	147	70	69

NOTES TO THE FINANCIAL STATEMENTS (continued...)

10. STAFF COSTS

	2022 £'000	2021 £'000
Staff costs in the Charitable Company and Trading Company were		
Wages and salaries	7,894	7,469
Social Security costs	708	631
Pension costs	233	206
Redundancy costs	-	10
Other Employee Benefits	19	15
	8,854	8,331

The Charity and Trading Company have auto-enrolled to meet the requirements of employer pensions. The Charity and Company operates a defined contribution scheme, the assets of which are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund. Amounts owing at the year-end amounted to £53,000 (2021: £61,000) and are included in other creditors.

	2022	2021
The average weekly number of employees during the period was as follows:	174	172

Eighteen employees (2021 – Nineteen) received remuneration in excess of £60,000, and they fell in the bands as follows:

	2022	2021
£60,000 to £70,000	3	9
£70,000 to £80,000	4	4
£80,000 to £90,000	5	1
£90,000 to £100,000	1	2
£100,000 to £110,000	2	-
£110,000 to £120,000	-	2
£130,000 to £140,000	1	-
£150,000 to £160,000	1	-
£190,000 to £200,000	-	1
£210,000 to £220,000	1	-

Payments to Trustees and expenses reimbursed can be seen in note 19 to these accounts.

The payment of gross remuneration to Senior Management Personnel during the year was £1,087,000 (2021 - £858,000).

	2022 £'000	2021 £'000
Employer's pension costs attributed to employee's who were paid over £60,000 were:	43	58

NOTES TO THE FINANCIAL STATEMENTS (continued...)

11. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Improvements to Leasehold Property £'000	Plant and Equipment £'000	Total £'000
Consolidated:			
Cost at 1 September 2021	1,018	378	1,396
Additions	1	179	180
Disposals	-	(8)	(8)
At 31 August 2022	1,019	549	1,568
Depreciation at 1 September 2021	384	261	645
Charge for the year	97	98	195
Eliminated on disposal	-	(7)	(7)
At 31 August 2022	481	352	833
Net Book Value at 31 August 2022	538	197	735
Net Book Value at 31 August 2021	634	117	751

	Improvements to Leasehold Property £'000	Plant and Equipment £'000	Total £'000
Charity:			
Cost at 1 September 2021	708	125	833
Additions	1	4	5
At 31 August 2022	709	129	838
Depreciation at 1 September 2021	268	118	386
Charge for the year	66	4	70
At 31 August 2022	334	122	456
Net Book Value at 31 August 2022	375	7	382
Net Book Value at 31 August 2021	440	7	447

12. FIXED ASSET INVESTMENTS

Shares in group undertakings and participating interests

Ellen MacArthur Foundation Trading Limited
The charitable company holds 100% of the share capital of the Ellen MacArthur Foundation Trading Limited. This Company is registered in England and Wales (company number 07110767), and provides consultancy services and events for businesses and books and publications. The cost of shares as investment in the charity at 1 September 2021 and 31 August 2022 was £1, and the net book value as at 31 August 2021 and 31 August 2022 was also £1.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

12. FIXED ASSET INVESTMENTS (continued)

EMF Trading USA, Inc.
The charitable company holds 100% of the share capital of the EMF Trading USA, Inc. This Company is registered in the State of Delaware, USA, and has been dormant since incorporation on 18 May 2020. The cost of shares as investment in the charity as at 1 September 2021 and 31 August 2022 was £1, and the net book value as at 31 August 2021 and 31 August 2022 was also £1.

EMF USA Inc.
EMF USA Inc is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within the USA.

EMF Brazil
EMF Brasil is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within Brazil.

13. DEBTORS

	Group		Charity	
	2022	2021	2022	2021 as restated
	£'000	£'000	£'000	£'000
Trade debtors	2,262	786	984	252
Other debtors	75	38	62	27
Accrued income	4,918	4,781	4,869	4,611
Prepayments	983	392	809	247
	8,238	5,997	6,724	5,137

Included in the above figures, for both the Group and Charity, are £1,500,000 (2021 - £850,000) of debtors that are due after more than 1 year.

14. CREDITORS

	Group		Charity	
	2022	2021 as restated	2022	2021 as restated
	£	£	£	£
Amounts falling due within one year:				
Trade creditors – project costs	364	425	264	324
Amounts due to Trading subsidiary	-	-	799	514
Accruals	367	188	197	150
Other creditors	359	281	119	63
Taxation and Social Security	213	221	189	171
Deferred income	2,923	2,801	-	425
	4,226	3,916	1,568	1,647

Deferred income arises on donations received in advance of the various work programmes relating to the 2022/23 financial year which commenced on 1 September 2022. All of the income deferred at 31 August 2021 was taken to the income and expenditure account in the 2022 accounts.

14. CREDITORS (continued)

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Deferred income represented:				
At 1 September 2021	2,801	2,807	425	1,071
Amounts released to income in the year	(2,801)	(2,382)	(425)	(646)
Additions in the year	2,923	2,376	-	-
At 31 August 2022				
Consultancy fees in advance	1,989	1,382	-	-
Schmidt HE	-	425	-	425
Fibres	493	178	-	-
NPEC	415	432	-	-
Food	26	-	-	-
Circular Economy 100 fees received	-	384	-	-
At 31 August 2022	2,923	2,801	-	425

15. UNRESTRICTED FUNDS

	At 1 September 2021 as restated £'000	Income received £'000	Fund Expenditure £'000	Transfers £'000	At 31 August 2022 £'000
Unrestricted general funds	12,424	13,530	(9,810)	1,029	17,173
Designated fund	1,250	-	-	(1,250)	-
	13,674	13,530	(9,810)	(221)	17,173

In the previous year the trustees designated £1.25m for specific projects in the 2021-22 financial year. These were the Circular Economy Performance Measurement initiative, a mechanism to demonstrate scaled impact towards the circular economy, and for the specific growth of the operations team to cope with the overall increase in activity and people at the Charity, such as new HR software systems and expansion of the People team. The projects were abandoned in the current year, and therefore all designated funds were released to general funds.

Comparative information

	At 1 September 2020 as restated £'000	Income received as restated £'000	Fund Expenditure as restated £'000	Transfers £'000	At 31 August 2021 as restated £'000
Unrestricted general funds	9,161	11,660	(7,147)	(1,250)	12,424
Designated fund	-	-	-	1,250	1,250
	9,161	11,660	(7,147)	-	13,674

16. RESTRICTED FUNDS

	At 1 September 2021 £'000	Income received £'000	Fund Expenditure £'000	Transferred from un-restricted fund £'000	At 31 August 2022 £'000
Learning:					
Schmidt-MacArthur Higher Education Programme (1)	(2)	425	(390)	-	33
Institutions, Governments and Cities:					
MAVA G&C, CE100 and Circular Materials (2), (3)	424	472	(721)	-	175
China (4)	1,882	1,765	(1,636)	-	2,011
Systemic Initiatives:					
New Plastics Economy Initiative (5)	4,556	25	(2,895)	-	1,686
Make Fashion Circular (6)	(261)	65	(25)	221	-
Cities and Circular Economy For Food (7)	793	1,112	(593)	-	1,312
Total	7,392	3,864	(6,260)	221	5,217

Comparative information for Restricted Funds

	At 1 September 2020 £'000	Income received £'000	Fund Expenditure £'000	Transferred from un-restricted fund £'000	At 31 August 2021 £'000
Learning:					
Schmidt-MacArthur Higher Education Programme (1)	(3)	646	(645)	-	(2)
Institutions, Governments and Cities:					
MAVA G&C, CE100 and Circular Materials (2), (3)	296	670	(542)	-	424
China (4)	1,631	1,710	(1,459)	-	1,882
Systemic Initiatives:					
New Plastics Economy Initiative (5)	4,187	2,991	(2,622)	-	4,556
Make Fashion Circular (6)	1,280	-	(1,541)	-	(261)
Cities and Circular Economy For Food (7)	1,207	253	(667)	-	793
Total	8,598	6,270	(7,476)	-	7,392

NOTES TO THE FINANCIAL STATEMENTS (continued...)

16. RESTRICTED FUNDS (continued)

Notes

All restricted funds are held within Ellen MacArthur Foundation. As such the consolidated and charity only restricted funds are one and the same.

(1) The Schmidt-MacArthur Higher Education Programme relates to funding received from the Schmidt Foundation, a US based Trust, and aims to educate more than one million learners globally. It has been financially supported by the Eric and Wendy Schmidt Fund for Strategic Innovation and was launched in 2019.

(2) MAVA G&C, CE100 and Circular Materials – The Government and Cities project relates to funding to advance the engagement of government and cities with circular economy. The CE100 project relates to funding to drive momentum in the Circular Economy innovation in Cities. The Circular Materials project relates to a project to carry out initial research to advance the understanding of the circular materials landscape.

(3) The Mava Partnership - the Ellen MacArthur Foundation acts as a Partner Organisation to MAVA, providing technical knowledge and strategic advice to identify opportunities for engagement under Mava's proposed strategy outcomes SE4 'Circular Economy in Europe' and SE5 'Circular Economy for Plastics'.

(4) China (MAVA) – MAVA have funded a project to mobilise the broader momentum and focus on the Circular Economy in China, including the growing alignment between the private and public sector on the role the Circular Economy can play in enabling better forms of economic growth.

(5) The New Plastics Economy Initiative project launched in 2016 to bring together key stakeholders to rethink and redesign the future of plastics, starting with packaging. Phase II launched in 2019 and runs until 2025.

(6) The Make Fashion Circular project is an initiative to help the fashion industry ensure clothes are made from safe and renewable materials and investigate new business models that increase their use and turn old clothes into new. This new textiles economy would benefit business, society, and the environment. During the year the restricted element of the systemic project came to a close and funds were transferred to clear the overdrawn position.

(7) The Cities and Circular Economy for Food initiative aims to fundamentally rethink the role of cities in the food system based on the principles of a circular economy. The initiative will stimulate, inform and mobilise new approaches for restorative and regenerative urban food systems and related bio-cycle economic activity.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

17. ANALYSIS OF GROUP NET ASSETS BY FUNDS

Consolidated:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2022	Total 2021 as restated
	£'000	£'000	£'000	£'000	£'000
Fixed assets	735	-	-	735	751
Current assets	6,903	-	1,335	8,238	5,997
Cash at bank	13,705	-	3,938	17,643	18,234
Creditors	(4,170)	-	(56)	(4,226)	(3,916)
	17,173	-	5,217	22,390	21,066

Charity:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2022	Total 2021 as restated
	£'000	£'000	£'000	£'000	£'000
Fixed assets	382	-	-	382	447
Current assets	5,389	-	1,335	6,724	5,137
Cash at bank	9,565	-	3,938	13,503	14,451
Creditors	(1,512)	-	(56)	(1,568)	(1,647)
	13,824	-	5,217	19,041	18,388

Comparative Analysis of Group and Charity Net Assets by type of fund

Consolidated:

	Unrestricted Funds as restated	Designated Funds	Restricted Funds	Total 2021 as restated	Total 2020 as restated
	£'000	£'000	£'000	£'000	£'000
Fixed assets	751	-	-	751	644
Current assets	4,040	-	1,957	5,997	5,641
Cash at bank	10,868	1,250	6,116	18,234	15,072
Creditors	(3,235)	-	(681)	(3,916)	(3,598)
	12,424	1,250	7,392	21,066	17,759

Charity:

	Unrestricted Funds as restated	Designated Funds	Restricted Funds	Total 2021 as restated	Total 2020 as restated
	£'000	£'000	£'000	£'000	£'000
Fixed assets	447	-	-	447	384
Current assets	3,180	-	1,957	5,137	4,564
Cash at bank	7,085	1,250	6,116	14,451	11,963
Creditors	(966)	-	(681)	(1,647)	(1,830)
	9,746	1,250	7,392	18,388	15,081

NOTES TO THE FINANCIAL STATEMENTS (continued...)

18. FINANCIAL COMMITMENTS - LEASES

At 31 August 2022 the group had the following minimum lease payments under non-cancellable operating leases,
as follows:

	2022 Property £'000	2022 Other £'000	2021 Property £'000	2021 Other £'000
Consolidated:				
Due within 1 year	148	7	99	7
Due between 2-5 years	372	7	349	14
Due after more than 5 years	96	-	154	-
	616	14	602	21
Charity only:				
Due within 1 year	148	-	99	-
Due between 2-5 years	372	-	349	-
Due after more than 5 years	96	-	154	-
	616	-	602	-

19. RELATED PARTIES

During the year the Charity and Trading Company have occupied offices at an agreed rent, owned by EM (IOW) Ltd, a Company 50% owned by Dame Ellen MacArthur. A charge was made by EM (IOW) Limited for £36,750 (2021 - £36,750) in respect of the office rental, and at the year end £Nil (2021 - £Nil) was outstanding, with £Nil (2021 - £Nil) included in prepayments.

Charges were made by EM (IOW) Ltd to Ellen MacArthur Foundation for £7,500 (2021 - £7,500) in respect of services provided by Dame Ellen MacArthur, who is a Trustee of the Charity and also a director of the trading subsidiary. At the year-end £Nil (2021 - £Nil) was outstanding. These services were in respect of Ellen's time as a speaker, and for appearances in helping the Company carry out its activities. The payments were not in respect of Ellen's duties as a Trustee of the Charity, and permission was granted in 2014 by the Charity Commission in respect of these payments.

There was no remuneration paid to Trustees for their services as Trustees (2021 – £ Nil). Expenses were reimbursed to one Trustee totaling £424 (2021 – one Trustees £234) in respect of home phone expenses. Expenses were incurred on behalf of the Trustees of £nil (2021 - £818) in relation to accommodation and subsistence for meetings. At the year end, £nil (2021 - £Nil) was outstanding.

20. CONTROLLING PARTY

The charity is controlled by the Trustees.

21. FINANCIAL INSTRUMENTS

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	24,899	23,839	19,418	19,342
Carrying amount of financial liabilities				
Liabilities measured at amortised cost	(1,303)	(1,121)	(1,569)	(1,228)
	23,596	22,718	17,849	18,114

22. PRIOR PERIOD ADJUSTMENT

Reconciliation of changes in equity	Group		Charity	
	1 September 2020 £'000	31 August 2021 £'000	1 September 2020 £'000	31 August 2021 £'000
Increase/(decrease) in debtors	183	-	183	(28)
(Increase)/decrease in creditors	(108)	(167)	(360)	(514)
Total adjustments	75	(167)	(177)	(542)
Equity as previously reported	17,684	21,233	15,258	18,930
Equity as adjusted	17,759	21,066	15,081	18,388
Analysis of the effect upon equity				
Unrestricted funds	75	(167)	(177)	(542)

Reconciliation of changes in profit for the previous financial period

Adjustments to prior year	Group 2021	Charity 2021
Increase/(decrease) in income	(214)	(370)
(Increase)/decrease in expenditure	(28)	5
Total adjustments	(242)	(365)
Profit as previously reported	3,549	3,672
Profit as adjusted	3,307	3,307

All fund movements related to unrestricted funds

Notes to reconciliation

Adjustment in respect of contract income
As a result of renegotiation of a tripartite contract with the subsidiary company Ellen MacArthur Foundation Trading Limited and a client, the accounting treatment of a contract was restated. This resulted in fees due to the subsidiary company, with corporation tax and VAT payable on the additional sums.

ELLEN MACARTHUR FOUNDATION

England & Wales - Charity number 1130306

Accounts

Company Number: 06897785
Registered Charity Number: 1130306
Office of the Scottish Charity Regulator Registered Number: SC043120
ANBI RSIN number (Netherlands): 8257 45 925



ELLEN MACARTHUR FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2021

Ellen MacArthur Foundation
Report and Financial Statements for the year ended 31 August 2021

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CHARITY INFORMATION

Trustees	Dame Ellen MacArthur Chair Mr Philip Sellwood Mr Peter Morgan Mr Michael Lebovitz Mr Wolfgang Blau
Chief Executive Officer:	Mr Andrew Morlet
Chief Operating Officer:	Ms Jo Bootle
Company Secretary:	Mr Matthew Enston
Registered Charity Number:	1130306
Scottish Charity Register Number:	SC043120
ANBI RSIN number (Netherlands):	8257 45 925
Registered Company Number:	06897785
Registered Office:	The Sail Loft, 42 Medina Road, Cowes, Isle of Wight, PO31 7BX

Contact details:

Tel:	01983 296463
Email:	info@ellenmacarthurfoundation.org
Web site:	www.ellenmacarthurfoundation.org

Bankers:	Lloyds TSB 30 Commercial Road, Totton, Southampton, SO40 3TH
Auditors:	Moore Kingston Smith LLP Devonshire House, 60 Goswell Road, London, EC1M 7 AD
Governing Instrument:	Memorandum and Articles of Association dated 3 July 2013

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT

Report of the trustees for the year ended 31 August 2021

The Trustees present their annual report and audited financial statements of the Charity, its trading subsidiaries, US and Brazil sister charities for the year ended 31 August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing their annual report and financial statements of the Charity and the Trustees' Report contains the information required in a Directors Report as set out in English company law.

OBJECTIVES AND STRATEGY

Objects:

1. To promote for the benefit of the public of the conservation, protection and improvement of the physical and natural environment and the prudent use of natural resources; and

2. To advance the education of the public in the conservation, protection and improvement of the physical and natural environment and to promote study and research in such subjects and for the public benefit and disseminate the useful results.

Mission:
To accelerate the transition towards a circular economy.

Strategy:
The Charity develops and promotes the idea of a circular economy: an economy based on the principles of designing out waste and pollution, keeping products and materials in use and regenerating natural systems. It is an economy that is regenerative by design, distributed, diverse, inclusive and underpinned by renewable materials and renewable energy. By 2025 the Charity aims to have created unstoppable momentum towards a circular economy by working with and inspiring business, academia, policymakers and institutions to mobilise systems solutions at scale, globally. It develops the idea and promotes the opportunity of a circular economy, mobilising a powerful network of leaders and influencers and applying innovative new approaches to scale system solutions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is formed as a Company Limited by Guarantee, registered in England under number 06897785, and governed by its Articles of Association. The Company has no share capital although the subscribers of the Memorandum are obliged to pay the sum not exceeding £1 in the event of a winding up of the Charitable Company.

The Charity is registered with the Charity Commission for England and Wales under registered charity number 1130306, with the Office of the Scottish Charity Regulator under number SC043120 and from 1 January 2018 as an ANBI (Algemeen Nut Beogende Instelling) in the Netherlands under number 8257 45 925. The Charity is controlled by its Board of Trustees, with the day to day management delegated to the CEO, COO and the Leadership Team.

The Charity has two wholly owned trading subsidiary companies, Ellen MacArthur Foundation Trading Limited ('EMF Trading') and EMF Trading (USA), Inc. All profits are donated to the Charity to further its work. EMF Trading is registered in England and operates the Circular Economy 100 programme, also providing business services relating to the circular economy to the Charity's Strategic Partners and Systemic Initiative participants. EMF Trading (USA), Inc was established in April 2020 and is registered in Delaware, United States. The Charity works closely with two sister charities, the Ellen MacArthur Foundation USA, Inc (in the United States) and Ellen MacArthur Foundation Brasil (in Brazil). These accounts reflect all activities on a consolidated basis.

Trustees:
The directors of the Company are the Charity's trustees for the purposes of charity law. The Trustees as listed on page 2 all served throughout the period. Trustees are appointed by agreement of the existing Board of Trustees and must have specific skills or knowledge in a sector beneficial to the Charity and its charitable objects. The current Trustees include experts in sustainability, media and communications, law and finance. A process of induction and training is provided to Trustees, including awareness and guidance produced by the Charity Commission.

All trustees give of their time freely for duties as a trustee and no remuneration for trustee duties was paid in the period. Details of trustee expenses and related party transactions are disclosed in note 19 to the accounts.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

Public Benefit:
In considering the work of the Charity, and in their governance of it, the Trustees have had due regard to the guidance produced by the Charity Commission in respect of public benefit. The Charity works to provide evidence of the economic, environmental, and societal benefits that a circular economy could deliver. In its areas of work the Charity focuses on helping people understand the circular economy, enabling them to apply the learnings, play an active role in the transition to a circular economy and catalyse circular innovation across the economy. It develops tools and methods to help companies, policymakers, and other stakeholders reach their circular economy ambitions.

The Charity is recognised as a leader in the circular economy field. It provides robust evidence about the benefits of the circular economy and stimulates the transformation of key material flows to scale adoption of the circular economy globally through its pioneering Systemic Initiatives. The Charity disseminates useful results by sharing informative content, informing key players in the economy and stimulating dialogue around the circular economy framework. Its extensive resource library on its website showcases how circular economy concepts are being implemented in practice along with policy and investment insight papers, case studies and access to learning tools.

Management Structure and Remuneration:
The Trustees delegate responsibility for the day-to-day operational management of the Charity to a Chief Executive Officer and a Chief Operating Officer. The CEO and COO (listed on page 2) work with a wider Executive Leadership Team, appointed by the CEO, whose purpose is to:

- formulate and manage the execution of strategy and priorities: i.e., long-term strategy, and annual priorities, taking into account opportunities, resources and risks; and
- formulate and manage operational systems and processes: i.e., structure, governance, people, processes and tools.

This group meets together monthly and is supported by a team of functional leads, who run the specific programmes and activities of the charity. Both leadership groups have clear terms of reference, that are accessible by the organization on the Foundation intranet.

The ELT also sponsors a number of cross-functional working groups that develop and propose solutions to key challenges and opportunities. These include a Portfolio Management group that evaluates the EMF portfolio and projects to ensure that they align with strategy and that delivery is feasible within proposed timelines.

Salaries for the team are set in conjunction with a role grading system, that assesses roles against 18 criteria and then places them within one of 6 grades based on an overall score. This ensures an objective salary approach across the organisation. Salary reviews are then conducted annually following a performance review process that is led by the Leadership Team, who recommend salary changes to the CEO and COO. Recommendations are evaluated in the context of internal considerations (organisation structure, team and individual performance and affordability), as well as external factors (market benchmarks, cost of living assessments). Any CEO and COO salary adjustments and bonuses are discussed and agreed by the Trustees.

ACHIEVEMENTS AND PERFORMANCE

"Against the continued backdrop of COVID, the Charity continued to make huge steps forward, particularly in terms of growing and deepening relationships with our Network, and ensuring continued strong engagement around the core idea of the circular economy. As ever, I am incredibly proud of the amazing EMF team who, yet again, showed incredible resilience, commitment and energy during another difficult year." Dame Ellen MacArthur

The Charity went into the financial year in a strong position. Planned income was not disrupted by the pandemic and the contribution to reserves at the end of the year was greater than planned, due to the reduced spending on events and travel during the previous year. The Foundation was able keep its focus on progressing key initiatives and on continuing to strengthen relationships with its Network. Operationally, the Charity's digital capability was an important factor in its success during this year, with a suite of virtual platforms being used to deliver all the Network activities, in the continued absence of face-to-face interaction.

Strategically, the Charity continued to grow and activate the Network during the year, acknowledging the context of COVID, and building engagement levels around the message that the circular economy is more relevant than ever. It also worked on an increased number of demonstrator projects with the Network, particularly within its Plastics, Fashion and Food initiatives, supported by the enabling work of the Finance and Design teams. This interconnection

between the Foundation's different programmes reflects the systemic nature of the challenge and of the approach and solutions required.

Development of the Foundation's Circulytics tool continued, whilst the Charity also conducted a landscaping process with the Network to inform additional approaches that could support the measurement of progress over time.

Despite the pandemic impacting some of the delivery mechanisms of the Foundation's activities, the individual programmes were able to adapt, and all of them worked successfully towards the Charity's 2025 impact and outcome targets. Internationally, the teams in North America, Brazil and China, continued to extend their own activity and reach, and specific funding was obtained during the year to enable the Foundation to start to build some key relationships on the African continent.

BUSINESS*-led collaboration and disruptive innovation are key to building a circular economy*

The Charity's **Strategic Partners** are Blackrock, Danone, DS Smith, Google, H&M, IKEA, Intesa Sanpaolo, Philips, Renault, Solvay, SC Johnson and Unilever. Counted among the world's leading and most influential organisations and with transformative potential, these Strategic Partners lead the transition to a circular economy by demonstrating what is possible.

In 2021 the Foundation renewed its Strategic Partnerships with Philips, Renault, and Solvay. Three leading industrial companies in the circular economy. All three organisations demonstrated continued commitment to the circular economy with ambitious targets and the announcement of key partnerships and investment decisions. Philips achieved its goal of 15% revenue from circular economy solutions by the end of 2020 and has set a 25% revenue target for 2025. In late 2020, Groupe Renault increased their ambition level and established 'RE:Factory', Europe's first dedicated circular economy factory for vehicles and mobility. Ground has been broken on the site and the top-line ambition for RE:Factory is to create mobility solutions with a negative CO2 balance by 2030, while at the same time generating employment for 3,000 people. Solvay announced in September 2020 its partnership with Veolia to recycle EV batteries. Renault's involvement in this consortium was announced in March 2021. This project will help Solvay reach its circular economy revenue goal of 15% of sales from recycled and bio-based materials by 2030. Solvay and Veolia set up a demo plant for EV battery recycling in July 2021. DS Smith following the May 2020 launch of its Circular Design Principles to train its 700 designers in the circular economy, which The Foundation's Design Program supported, and in May 2021 unveiled its Circular Design Metrics. This industry first allows customers to rate the circularity of their packaging.The pioneering initiative provides a unique insight into how companies packaging choices can reduce their impact on the environment. Through the collaborative design process customers will be able compare the environmental performance of different solutions to create more circular packaging. This supports DS Smith's ability to reach its goal to manufacture 100% reusable or recyclable packaging by 2023.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

In finance, in the past financial year, BlackRock's circular economy fund launched in October 2019 with the aim to drive investments in businesses already contributing to, or benefiting from, the transition to a circular economy has grown significantly to $2.31 billion USD by 31st August 2021 up from $872 million USD on August 31st 2020 .The Charity provides expert insights and guidance on circular economy principles and practices to inform the investment methodology of the Fund. Intesa Sanpaolo has a circular economy hub in Italy which increased its credit ceiling and a commitment to offer best terms to businesses that adopt the circular model in innovative ways. The Foundation helped develop the circular economy criteria ahead of its launch in 2018. In October 2020 the bank extended the facility from EUR 5 billion to EUR 6 billion. By the end of June 2021, the bank had financed over 200 projects totalling close to EUR 4.5 billion. In July 2021, the Foundation, Intesa Sanpaolo and Bocconi University published a white paper which sets out new evidence demonstrating how circular economy strategies can de-risk investments and drive superior risk-adjusted returns for investors and financial institutions.

In consumer goods, Unilever has long supported the global transition to a circular economy and first joined the Charity as a Partner in 2014. The Unilever Compass launched in May 2020, Unilever's new strategy outlines that the growth of their business is inextricably linked with sustainability, they have fully integrated sustainability into everything they do. One key pillar is to "Win with our brands as a force for good, powered by purpose and innovation". An example of this is that Unilever is investing €1 billion over ten years in researching and developing new technologies to reduce the carbon footprint, plastic waste and water use, and increase the biodegradable and sustainable ingredients associated with our products. As part of this programme, they'll be replacing the crude oil and other fossil fuels used to make some of our chemicals with renewable and recycled materials. In June 2021 Unilever launched a precompetitive collaborative project with members of the Foundation's Network with support from the Foundation's Network Team. Unilever has also been progressing against their ambitious targets set out in the New Plastics Economy Global Commitment (NPEC GC). Danone, also a signatory of the NPEC GC is also working towards a set of global targets as well as annual disclosure of progress against these targets. For example, as well as phasing out PS and PVC, Danone eliminated 170 million straws and 7 million spoons through direct elimination and substitution to paper during this reporting period.

In fashion, H&M has the ambition to become climate positive by 2040 by becoming a circular business. The group has put on the market 50,000 pairs of jeans based on the Foundation's Fashion Iniative's Jeans Redesign principles; this is one of many examples of how they are exploring solutions to create a closed loop for textiles where unwanted clothes can be recycled into new ones. H&M Group has been applying circular economy principles to its sustainability strategies both for commercial and non-commercial goods such as packaging - as a signatory of the NPEC GC.

The partnership with IKEA focuses on several key areas including advocating for circular design and developing new services and offers to encourage customers to acquire, care for and pass on products in circular ways. This fits with their ambition to become circular and climate positive by 2030. For example, in November 2020 IKEA took another step forward in its journey to become a circular business by 2030, with the opening of its first world's first second-hand pop-up store in Eskilstuna, Sweden.

Google has announced its circular economy vision to become a Circular Google in a Sustainable World, to maximize the reuse of finite resources across our operations, products and supply chains, and enable others to do the same through the use of our technology. Google continues to focus its efforts on plastics, specifically on how their tools and technology can be applied to support the circular economy for plastics and has joined the Charity's NPEC initiative as Technology Partner. Google also released a new study which evaluated demand for six polymers in three major regions of the world representing 86 percent of current global plastics demand. The report modelled the impact of 14 interventions and identifies the need to expand mechanical recycling infrastructure five to six times by 2040, and chemical recycling capacity by more than 100 times. It puts the price tag on all interventions needed, including infrastructure, at $500 billion globally.

Strategic Partners, Partners and Members come together in workshops, at an annual summit and also participate in and enjoy the Charity's Circular Economy Show, aired bi-weekly. **Network Workshops** were held during the year in virtual formats and welcomed over 3,000 representatives from around 400 different bodies with the strongest engagement in sessions on the Foundation's Universal Policy Goals and Plastics Pact work. The Charity's **Annual Summit** ran as an online programme for the second time in two years and featured CEOs from businesses in our Network as well as leaders from government and the media. In total there were 3,618 registrations for the event and, repeating the success of the 2020 Annual Summit, its content received over 2 million views.

In the period the Foundation launched a digital community platform, known as the Ellen MacArthur Foundation's **Community**. Launched in February 2021 the objective of the project is to provide a digital home for the Network that supports in-person engagement and to scale the number of organisations and employees who can participate. The user base of the Community grew from zero in February to 2,123 in August 2021. The Community also provides an engagement model for organisaitons that do not meet the criteria to become a Member, Partner, of Strategic Partner and in the period from May to August a further 359 had been approved to join the Community, of which 204 are classified as startups.

Learning about the circular economy and how the principles can apply in practice across a variety of contexts including different sectors, industries, or functions is critical for organisations to identify and implement the changes they need to make. By August, 1,322 employees from organisations in our Network participated in the Circular Economy Beginner Series and 264 took part in the Circular Economy Advanced Series, both of which were launched in the period. In addition 261 employees took part in the Circular Economy Masterclass run by The University of Exeter.

Developed by the Charity and launched in January 2020, **Circulytics** allows companies to track their own progress towards circular business practices and is the most comprehensive circularity measurement tool available. It is free to use and gives companies a full picture of their circularity across all operations, regardless of the size, complexity or nature of their business. Going beyond simply measuring products and material flows, Circulytics combines company-level data with applied insights and analysis from the Charity to identify opportunities to further adopt and embed circular practices. Circulytics is not a light effort with many companies having to aggregate material flow data for the first time. In the period to August 2021, 169 companies from the Network had registered for Circulytics and 39 had completed a full submission

Business, Network and Latin America

During the fiscal year, the LatAm team together with the Network team designed a model to internationalise our Network model, with a focus in LatAm. The model kicked off in September 1st and the design efforts led to a pilot model for FY22 with a focus on the Associate level, with the aim of reducing entry barriers (like cost driven by exchange rate variability), leveraging the digital offerings in an optimised way. Efforts to make the community platform, the T&C, the learning resources and the events accessible in all languages relevant to the region have been part of the first months to set-up the programme.

USA: During the year sister charity, EMF USA Inc, focused on deepening relationships with key corporate partners leading to increased engagement in EMF programmes such as NPEC and building relationships in the national policy arena. It also worked on maintaining brand voice both before and after the COVID-19 outbreak through event attendance and communication campaigns. In August the Charity partnered with US-based media outlet GreenBiz Group to organise Circularity 21. The event brought together more than 10,000 professionals from around the world to network and explore how to advance the adoption of the circular economy through inspirational plenary and breakout sessions.

SYSTEMIC INITIATIVES *are transforming key material flows to scale the circular economy globally.*

Working with businesses, governments, philanthropists, innovators and NGOs, Systemic Initiatives spark unprecedented levels of cross-sectoral collaboration and innovation. They emerged under the umbrella of Project Mainstream, a CEO-led global initiative by the World Economic Forum and the Charity, with the aim to help scale business driven circular economy innovations. During the year the Charity operated three separately funded Systemic Initiatives: New Plastics Economy (NPEC) now in phase 2 having launched in 2016, Make Fashion Circular, the Food Initiative and has established a cross cutting Finance initiative, developing perspectives on supporting the role of finance in accelerating and enabling the circular economy transition.



An ambitious global initiative bringing together key stakeholders to rethink and redesign the future for plastics, starting with packaging. Through the NPEC Global Commitment and its network of Plastics Pacts, more than 1,000 organisations around the world have united behind a common vision of a circular economy for plastics. Concrete 2025 targets to help realise that vision is in place through three key actions: **eliminate** the plastics we don't need, **innovate** to ensure the plastics we do need are reusable, recyclable or compostable and **circulate** all the plastic items we use to keep them in the economy and out of the environment.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

A joint philanthropic-business advisory board oversees the initiative to ensure the inclusion of a wide set of social, environmental and business considerations. This includes philanthropic partners Eric & Wendy Schmidt Fund for Strategic Innovation (lead) and Oak Foundation together with corporate partners Amcor, Borealis, The Coca-Cola Company, Danone, L'Oréal, MARS, Nestle, PepsiCo, Unilever, Veolia and Walmart. Workshops are held bi-annually to bring together ~100 representatives of the Partners with over 30 Network Members and other key stakeholders such as NGOs, policymakers, investors and innovators. The last 2 years, given covid-19 restrictions on physical events, we have been innovating our network engagement model, through a variety of engaging virtual events, workshops and working sessions.



NPEC Global Commitment, a collaboration with the United Nations Environment Programme ('UNEP'), unites more than 250 businesses collectively representing more than 20% of all plastic packaging used globally, 20 governments and over 200 endorsers behind a common vision of a circular economy for plastics.

The annual Global Commitment progress reports created an unprecedented level of transparency on how almost 200 businesses and governments are reshaping the plastics system. They provide unique insight into the trajectory of progress against targets.

The Charity is seeing increasing amounts of progress within the signatory group, but a further substantial acceleration is needed in the coming years to achieve the 2025 targets. A major milestone achieved is that after decades of growth, virgin plastic use appears to have peaked for Global Commitment brands and retailers (a reduction of 1.2% in 2020, following a 0.6% reduction in 2019). Given we raised the minimum ambition level for the Global Commitment this year, making a 2025 plastic or virgin plastic reduction target mandatory for all brand and retail signatories, their virgin plastic consumption is set to fall faster by 2025. This sustained and significant fall would mark, for the first time, a decoupling of business growth from the consumption of virgin plastic among leading brand and retail companies. By 2025, combined with the recycled content targets of plastic and packaging manufacturer signatories, this would avoid an estimated 8 million tonnes of virgin plastics from being produced each year – keeping 40 million barrels of oil in the ground annually.

Progress on virgin plastic reduction has largely been driven by growing use of recycled content in packaging, but we see alarmingly little investment in efforts to reduce the need for single-use packaging. As this is vital to continuing progress towards a circular economy for plastic, the Charity continues to challenge its signatories to reduce the need for single-use packaging altogether and support them through our Upstream Innovation Guide, frameworks and tools.

The vision, commitments, and definitions of the Global Commitment have helped create a common language and driven action extending well beyond the signatory group. Signatories are engaging their suppliers across the plastics value chain, asking them to comply with Global Commitment requirements or to support them with achieving their goals, further extending the reach of the movement towards a circular economy for plastics. Policymakers have adopted or have been inspired by the Global Commitment targets and definitions: for example, Australia's national action plan on plastics includes the 4 key Global Commitment targets, pretty much word for word. The investment community is also playing a growing part, including through significant interest in the data generated by Global Commitment reporting and the adoption of key reporting metrics and definitions by, for example, in 2021, Principles of Responsible Investments (PRI) with input from the Charity, has published 4 guides to help investors engage with key sectors in the plastic packaging value chain (petrochem, packaging, FMCG, waste management) using the Global Commitment framework. And finally, many other initiatives on plastics have been inspired by the Global Commitment vision and framework. Key organisations leading other major global initiatives on the topic (WWF, WEF, Systemiq, CGF, …) all endorsed the Global Commitment vision and the Global Tourism Plastics Initiative, The Fashion Pact and The European Bicycle Industry have even set up smaller versions of the Global Commitment, tailored to their industries, to address their plastic packaging challenges.

To accelerate the transition to a circular economy for plastics the Charity has brought together businesses, governments and civil society within a country or region in a unique global platform - the **Plastics Pact Network.** Each locally led Plastics Pact works towards ambitious, local targets to stimulate the elimination of unnecessary or

problematic plastic packaging, the design of all plastic packaging to be reusable, recyclable or compostable, and increased collection, recycling and recycled content of plastic packaging.

The Foundation's Plastics Pact Network facilitates the exchange of insights across 12 Plastics Pacts in different geographies, now totaling 28 countries, representing over 30% of global GDP. During the year Pacts were launched in Poland, Canada, The Pacific Region (Australia, New-Zealand, and Pacific Islands), and Kenya. It was also the year where many Pacts published their roadmap and/or first progress report. We consider our network of Plastics Pacts closed now in order to fully shift our focus from launching new Pacts to supporting and challenging the existing Pacts to drive delivery on their 2025 targets.

The Charity's catalytic impact through the Plastics Pacts has been significant. With just 3 to 4 people working on Plastic Pacts on our side, we created 40+ full time jobs in our partner organizations to run Plastic Pacts around the world – a 10x impact. On top of (!) the 500+ organisations involved through the Global Commitment, an additional 600+ organisations are involved in Plastics Pacts. And beyond our network of 12 Pacts, organisations in Mexico, India and other places have been inspired to set up similar efforts.

This year was also a crucial year in the international debate around a **Global Treaty on Plastics**. In September 2020, the Charity, in collaboration with WWF and BCG, launched a call for such a Treaty, supported by a report laying out the business case. 90 leading companies have endorsed this call by signing a business manifesto. A constructive and progressive signal from industry that was appreciated by many policymakers around the word, who are pushing this agenda and helped accelerate the global debate. Since then, many more major governments have expressed their support for a Global Treaty. The milestone UNEA 5 meeting, during which the Charity aims to have an official mandate to start negotiating a Global Treaty on Plastics approved, was postponed from Feb 2021 to Feb 2022, due to covid-restrictions. In January 2022, in the runup to this crucial meeting. the Charity and WWF will launch a second industry statement and comms campaign, with 60+ major businesses uniting behind some key principles for a successful Global Treaty on plastics (incl. CE principles, legally binding nature of Treaty, etc.).

Plastics and Latin America

During the fiscal year, the LatAm team continued to support the NPEC team in the development of the Chilean Plastics Pact, particularly by participating in in-person events and comms. In addition, a conversation was carried out with Brazilian stakeholders in the plastics chain to potentially launch a Brazil Plastics Pact, but it turned out that the leading organisation didn't meet some important requirements to run the Pact so the conversation was held off and the Brazil Pact was withdrawn from our plans.



Make Fashion Circular has, over the last three years, placed the circular economy concept firmly on the fashion industry agenda: systemic change is gathering traction across the globe. Corporate strategy and targets, industry commitments, policy initiatives and increased public awareness are now mutually reinforcing each other toward a common vision of a thriving and resilient fashion industry that is driven by design, makes clothing and apparel which eliminates waste and pollution, keeps materials in use for longer and regenerates natural systems.

In October 2020, the Foundation published the Vision of a Circular Economy for Fashion, including common definitions. This was co-created with input from over 100 industry experts. The vision has already been adopted as the basis for circular economy strategies by about half a dozen leading companies. The vision has been used as a reference point for other textile initiatives for example, in the UNEP report 'Sustainability and Circularity in the Textile Value Chain'; and in complementary initiatives including Textile Exchange's Corporate Fibre and Materials Benchmark Program to measure circular economy progress and by WRAP as a basis for their Textile 2030 targets. The vision was also translated and disseminated in China.

In July 2021, the Foundation published The Jeans Redesign - Insights from the First Two Years, transparently reporting on the progress of The Jeans Resign participants, including whether they had achieved the criteria of the project, where organisations had pushed boundaries and demonstrated progress beyond the minimum requirements, and highlighted challenges still to be resolved to scale the adoption of circular design across fashion.

May 2021 concluded the first three years of Make Fashion Circular and provided an opportunity to bring the network together under the 'One Network' structure. This resulted in a refresh of the organisations in the network based on ambition level and engagement. From May 2021 the Fashion Initiative brought together H&M as Strategic Partner, and Inditex, Lacoste, PVH, Primark, Ralph Lauren, Zalando as Partners.

In China, we continue to develop our partnership with CNTAC (China National Textile and Apparel Council) following their publishing of an Executive Summary of the New Textiles Economy Report, to which we contributed.

Building on the Fashion initiatives design focus, which included a learning partnership with the RSA, during 2021 ongoing work secured high profile contributions from leading fashion creatives, including Ferdinando Verderi, Stella McCartney, Gucci, Marine Serre, and Gabriella Hearst to our book Circular Design for Fashion. New insights were also gathered from emerging innovators to develop and refine a report on Circular Business Models, both to be published in December 2021.



Food Initiative, launched in 2019, is supported by philanthropic partners Calouste Gulbenkian Foundation, Stiftung Doen, and Porticus.

The initiative works with Partners Danone, Google, Mizkan, Nestle, Novamont, Veolia and Yara, other corporate members and a community of nineteen participant cities located in Canada, Europe, Japan, South America and USA. The three cities (London, New York City and São Paulo) that were originally Food Flagship Cities have now been elevated to Strategic Partners Cities within the Foundation's network, committing to demonstrate the circular economy across two or three material streams, including food.

The active role that the Foundation played in the first year of the initiative to convene food value chain actors within the Strategic Partner Cities has been invaluable towards mobilising demonstration activities within the cities that otherwise would likely not have emerged and progressed during this second year.

The Charity published its first piece of work on food in 2019 titled, "**Cities and Circular Economy for Food**". The report found that for every US dollar spent on food, two US dollars of cost are generated for society due to issues such as health impacts from pesticide exposure, air pollution and water contamination from conventional food production and linear organic waste management, as well as causing enormous environmental damage. A circular economy redesign for the food industry could allow food to be grown in a way that regenerates natural resources and locally where relevant and for waste to be eliminated through better redistribution and by-product use. The mission of the Food initiative is to inform and stimulate a global shift towards a regenerative food system based on the principles of a circular economy.

In December 2020, the Charity initiated an eight-month research effort to quantify the opportunity for major food manufacturers (FMCGs) and food retailers to fundamentally reimagine their food portfolios using circular design for food to create food that is better for climate, better for biodiversity, and better for farmers. Research was carried out with support from Material Economics and led to the development of the "Big food redesign: Regenerating nature with the circular economy", which was published in September 2021. During the research process, dozens of industry players, other food initiatives/organisations, farmers, and experts were engaged in interviews and interactive workshops. The publication was supported with funding from the SUN Foundation.

In July 2021, to culminate the Charity's East Africa landscaping exercise, funded by the IKEA Foundation, the Charity published a series of short films on YouTube that showcased inspiring stories of circular economy for food innovators in East Africa. Alongside these films, a paper was published that outlined the opportunities and examples of circular economy in food and agriculture in August 2021.

During the past year, the Charity has continued to broaden its network in the food space and influence these actors to define a common vision of a future food system to individually and collectively work towards. The Charity has provided input to ongoing external projects, connected industry actors and shared expertise. A few examples are:

- **Sustainable Food Trust (SFT)** - a charity that provides education and thought leadership to transform global food and farming systems. The Charity is part of a working group developing the Global Farm Metric – a framework to measure outcomes at the farm level which can also be used to support businesses with their environmental reporting.
- **reNature** - facilitates the transition to regenerative food production by connecting industry players to farmers and providing technical advice and support. The Charity have collaborated on several speaking events with reNature (including the EMF Summit, UN Food Systems and Unilever's 'Reinventing Food for Humanity'), citing their work as an example of how companies can be collaborating with farmers and transforming food systems.
- **One Planet Business for Biodiversity (OP2B)** - an international business coalition on biodiversity hosted by the World Business Council for Sustainable Development, with a specific focus on agriculture. The Charity is in regular contact with OP2B to align and provide support on complementary action areas to scale regenerative food production, notably their Regenerative Agriculture Framework.
- **Nutrient Upcycling Alliance** - a partnership formed between Veolia and Yara in 2019 working to create organo-mineral fertiliser from organic waste/materials that are insufficiently valorised today. The Charity continues to form part of their working group alongside new innovator CCM Technologies, Waitrose, Nestlé, Novamont, LEAF, Cranfield University. In addition to providing circular economy knowledge, the Charity is making valuable introductions to redistribution charities (Felix Project, City Harvest, Fareshare), food waste reduction companies (Winnow, waste collection initiative, First Mile), and complementary organisations such as WRAP (Waste and Resources Action Programme).
- **Center for European Policy Studies (CEPS)** - one of the leading think tanks in European Affairs, with specific programmes on food and agriculture, and circular economy. During the development of *The big food redesign* the Charity established a consultative relationship and presented the key findings of the study at the closing conference of their Circ4Life project - focusing on circular business models in the agro-food industry - attended by a mixed audience of policy actors, businesses and Civil Society Organisations (CSOs). CEPS endorsed the *The big food redesign* and drew from it for their recent publication, *Barriers and enablers for implementing circular economy business models*.
- **EIT Food** - the food branch of the European Institute for Innovation and Technology. In the past year, the Charity regularly exchanged information with EIT Food experts who are integrating the concept of food redesign into their strategy and projects' implementation. Further engagement with EIT-Food, will allow for opportunities to disseminate the Charity's work to a broad audience of policy actors, businesses and food innovators.

INSTITUTIONS, GOVERNMENTS AND CITIES *create the enabling conditions for a circular economy, set direction, and drive innovation and investment.*

Policy insights:

- In January 2021, the Foundation released a framework entitled *Universal circular economy policy goals* to support the development of a common understanding of the circular economy opportunity and a shared direction of travel in policy development for a circular economy. In addition to working closely with public and private sector actors in its development, the Foundation engaged in multiple international and national fora to share the insights from the work.
- In alignment with the overarching policy goals framework, the Foundation also developed policy insight positions on specific sectors and policy areas. This has included:
    - A white paper on a UN treaty to address plastic pollution, highlighting the role of a circular economy approach, published in August 2021
    - Also in the packaging policy space, we released a position paper and a statement supporting EPR for packaging policies, in June 2021 with endorsement from over 100+ major businesses
    - A white paper on the upcoming EU Sustainable Products Initiative, submitted as contribution to the public consultation of the European Commission in June 2021

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

- The Foundation also inputted into the work of the Technical Working Group of the EU Sustainable Finance Platform on taxonomy criteria for circular economy activities in the food and beverage, textiles and furniture sectors.
- Initial contributions to work on circular economy in trade, at the OECD, and particularly in relation to plastics at the WTO.

- The Charity developed, in consultation with a group of cities and several city network and policy organisations, a Circular Public Procurement Guidebook for cities that will be released in early 2022.
- The Charity developed a series of insights articles on circular economy activities and opportunities in a range of sectors in Africa, in collaboration with Chatham House, International Council for Local Environmental Initiatives (ICLEI) Africa and University of Lagos, and a number of experts. The first four articles in the series were published in August 2021.
- The Charity's Executive Lead for Institutions and Governments was appointed member of the circular economy of the China Council for International Cooperation on Environment and Development (CCICED) *Special Policy Study on Environmental and Social Implications Through the Value Chain.* The Circular Economy chapter has been finalised and submitted to the State Council as an official policy recommendation document.
- Two collaboration projects (China Academy of Sciences and National Development and Reform Commission) initiated in 2020 were successfully completed by the end of July as planned.
- Six new projects (Solid Waste Center, Ministry of Environment and Ecology, Zhejiang University, Jiaotong University, Policy Research Center for Environment and Economy, Ministry of Ecology and Environment (PRCEE MEE), Two with Tsinghua Universities: New Plastics Economy Position Paper and Carbon Neutrality) have successfully kicked off or are to be started no later than Oct.

Institutional, government and city engagement:

International institutions:

- The Charity remains a strategic partner of UNEP's International Resource Panel (IRP), and participates in annual strategy sessions.
- Since 2017 the Charity has observed the bi-annual meetings of the Organisation for Economic Co-operation and Development (OECD) Waste and Resource Working Party and has this year: taken part in the OECD Environmental Policy Committee to highlight the role of CE in the post-Covid recovery; provided input into early drafts of the OECD Global Plastics Outlook, drawing on both our plastics insights and the Universal circular economy policy goals framework.
- The Charity also developed its relationship with the World Bank, engaging with it and other international institutions in its insight pieces, and contributing its insights to early scoping stages of a World Bank research piece on circular economy in EU Member States.

Government and regional groupings:

- The Charity was invited by the Italian 2021 G20 Presidency to contribute its circular economy insights on a range of programme areas, including plastics, fashion, cities and infrastructure. To support this input, the Foundation agreed a Memorandum of Understanding with the Italian Ministry of Ecological Transition.
- In 2021, the Foundation developed a collaboration with the United Nations Economic Committee for Europe (participation in 3 official Commission Sessions) which:
  - Expanded our reach beyond environmental ministries, which traditionally are in charge of circular economy matters.
  - Gives us access to countries which so far we had not interacted with (Eastern EU and Central Asia).
- The Charity formally became one of the founding seven Strategic Partners of the Latin American and Caribbean Coalition for Circular Economy which launched in February 2021. The Foundation has, in partnership with other partners, led the development of and consultations for a regional circular economy vision for the Coalition (expected or release in February/March 2022).
- The Charity has also engaged with the African Circular Economy Alliance, participating as an Observer in Technical Committee meetings, supporting and engaging the Secretariat on insight development pieces, and receiving an invitation to become a Strategic Partner of the African Circular Economy Alliance.
- Following the release of the 14th Five Year Plan for Circular Economy, the revision of CE Promotion Law in China was kicked off by NDRC and led by our partner China Association for Circular Economy. The Foundation was invited by the CACE to make its contribution into its process.
- The Charity's Executive Lead for Institutions and Governments also contributed, as a member of the Experts Panel, to a study of circular economy opportunities in Canada, in a study coordinated by the Canadian Council of Academies at the request of the ministry of Environment and Climate Change, Canada.

Cities:

The Charity continued to promote the narrative that the circular economy is a bigger idea presenting at high-level events, collaborating on various projects and initiatives with international institutions, city network and policy organisations and running communications campaigns:

- The Charity presented at various prominent events for city government officials including: World Circular Economy Forum, Daring Cities and Innovate4Cities.
- Major activities included supporting UNEP, Arup and BASE to develop a discussion paper *Creating Circular Neighbourhoods* and collaborating with Circle Economy, Metabolic and ICLEI on the MAVA funded Circle Lab for Cities project.
- A social media campaign based on the case studies in the Circular Economy & Cities Resource Suite achieved 869,910 impressions and 2,800 click throughs reaching city practitioners in the US, Canada, South America, Africa and APAC.

In 2021, the Charity had several opportunities to engage more deeply with city governments as a Support Partner to ICLEI Europe's Circular City Declaration (60+ city signatories) and a Partner to the Canadian Circular Cities and Regions Initiative (15 cities & regions). The Charity also delivered several capacity building sessions based on the *Urban Policy Levers* paper (part of the *Circular Economy in Cities Resource Suite* that was published in 2019), and engaged more than 50 city governments across Europe, North America, Latin America, Africa and Asia.

The Charity has continued to support its Strategic Partner and Partner cities to activate and progress demonstration activities across a diverse range of topics:

- The cities involved in the Charity's Food Initiative continue to progress ambitious demonstrators. These include: London's Food Flagship Initiative, New York's #DonateNYC campaign, São Paulo's Connect the Dots and Nespresso Hortas projects, Milan's food redistribution hubs and school menu projects and Porto's City Loops and Living Lab projects. Nine cities are progressing circular procurement activities in the Charity's Food Initiative.
- The Charity also partnered with the Danish Business Authority to activate cities to adopt digital solutions to accelerate the circular economy transition in their cities. Glasgow and Toronto have been actively working with winners (Go Zero Waste (ES), Concular (DE), Topolytics (UK), Seenons (NL), and Konsido (DK)) to implement their solutions in their cities.
- With almost all interactions being online in 2021, the Charity also focused on convening its regional city communities (Europe, North American and Latin America) to support relationship building and knowledge exchange between the cities in its community.

Institutions, Governments and Cities and Latin America

During the fiscal year, the Latin America operation launched, in February 2021, the Latin America and Caribbean Coalition as founding strategic partners, alongside other seven international institutions (UNEP, UNIDO, WEF, IDB, KAS, CTCN, PACE). EMF has led the first joint project of the Coalition, to develop a vision for a circular economy in the region (the "Vision"). The Vision document will be launched in February 2022. During the development of the Vision project, EMF has expanded its governments relationship across the region and strengthened EMF as a key voice of the circular economy in the region.

In April 2021, the strategic partnership with São Paulo was announced, building on its relationship as Food Flagship City. An engagement plan with the City was developed with a broad scope involving: the development of a circular economy vision and roadmap, capacity building of the city's public servants and political spokespeople, communications, and demonstrators likely in the areas of food, fashion and the built environment. Conversations of other Latin American (Curitiba, Buenos Aires and Bogotá) were initiated to become Partner Cities, with a contract signed with Curitiba.

*WITHIN **LEARNING** the Charity works across ages and disciplines to develop the vision, skills and mindsets needed to transition to a circular economy.*

LEARNING HUB

In 2019 the Charity launched a circular economy learning programme including a new free-to-access online resource which aims to reach more than one million learners globally and engage 150,000 by 2025. The Learning Hub is supported by the Eric and Wendy Schmidt Fund for Strategic Innovation and leverages a broad range of digital tools and learning materials. COVID-19 has dramatically increased the use of online learning tools and during the period The Learning Hub exceeded the Charity's targets for both reach and engagement, becoming a reference point for circular economy learning with over one million learners by the end of 2021.

In **formal education**, the Charity has continued to integrate circular economy into the curricula of the International Baccalaureate ('IB') whose Diploma Programme for students aged 16 to 19 years is respected by leading universities across the globe. The Charity has worked with IB to integrate circular economy principles into the Geography, Economics and more recently business management curriculum. Further work is now taking place to integrate circular economy into the design and technology curriculum. In 2020 and early 2021, the Charity has expanded our engagement with curriculum providers, working with the likes of LEGO, Daydream Believers and the Welsh Baccalaureate to ensure more young people are exposed to the principles of circular economy during their learning journeys. This expanded reach and working with a more diverse group of curriculum providers will ensure that 3m young people have been exposed to CE as part of their schooling and that it is embedded for the future.

Following the success of the 2020 online webinar series for teenagers, the Charity developed a 7-week Africa-specific online programme for teens living on the continent. This was developed in summer 2021 and launched in October 2021 in collaboration with Hello World. It is hoped that it will reach at least 1000 teenagers across Africa.

In **Higher Education** the Charity has continued to grow its interaction with universities across the globe. The profiled university space has grown to now showcase 62 higher education institutions, including expanding to showcase universities in Africa. We remain on track to engage with 1000 universities by 2022 through our range of programmes and interactions. There has been a significant increase in circular economy centres of excellence, based in universities, with an increase from 4 in 2018 to 27 by August 2021.

Over 2020 and 2021, the Charity's work with universities in our key strategic cities has developed well. The London HE demonstrator work is now well established with the universities meeting regularly online and there has been a significant increase in circular activities through the development of student groups, how campuses are managed and course development. There have been notable collaborations such as the one between the London School of Economics and Winnow (both EMF members) to drive down food waste at LSE. There are now at least 34 circular economy courses being delivered by London Universities. This is compared to 4 that were identified in 2018 in the Global Snapshot report. The demonstrator work has now also been established in New York City with the Universities there having met virtually 3 times. Again, there has been a significant increase in known CE courses which have gone from 6 in 2018 to 37 in 2021.

In 2020 and 2021, the Foundation launched a series of online multi-week, interactive 'direct-to-learner' webinar series engaging more than 20,000 participants in total. These programmes are open to all and free to attend for all participants to register to join or to apply for.

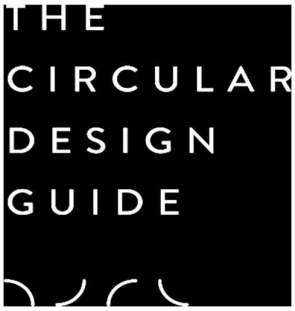
In **professional learning**, over 200 business professionals from the Charity's Network attended the Circular Economy Masterclass run by the University of Exeter in collaboration with the Charity. The Charity has also developed an introduction to the circular economy course free to all employees of the Network and available on the Charity's digital community platform.

Learning and Latin America

A formal collaboration with Sistema B in Latin America was formed to design a Latin America edition of the From Linear to Circular programme, which was then delivered between October and December 2021.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

The Ellen MacArthur Foundation launched the Circular Economy Show in summer 2020, a regular live broadcast that delves into the idea of a circular economy and showcases examples. The Foundation has now broadcast more than 50 episodes of the Show streaming on the Charity's YouTube and social media channels. Overrule, the Foundation's broadcast activity received more than 6 million views in 2021 and the Circular Economy Show has become a go-to reference for circular economy insights and stories for relevant industry professionals and interested students



The charity is continuing to develop and expand its efforts in circular design, focusing on three major strategic pillars. Firstly, it will ensure that circular design is a compelling area of practice for the world's designers and creative professionals, by creating a growing body of robust research, stories, and frameworks that give depth and credibility to circular design.

To this end, the charity has produced foundational texts on the application of circular design in its three systemic initiatives, namely, the Upstream Innovation Guide for plastic packaging, the Circular Design for Fashion book, and the Big Food Redesign study. In addition to this, the charity is currently developing a distinctive piece of thought-leadership outlining the steps that organisations in its network can take to enable circular design to seed and thrive within innovation teams.

Secondly, the charity will build a thriving movement around circular design, working with select channels and institutions in the arts, culture, and creative space, to build a powerful, global circular design community. The #circulardesignnow campaign was the most successful social media campaign the charity has run to date. Over a period of 5 months, the campaign achieved 3.3 million impressions, with levels of engagement three times above the previous benchmark, reinforcing the charity's belief that audiences respond well to optimistic, solutions-focused aspect of the circular economy narrative.

In March 2021, the charity organised the Circular Design Assembly, a two-day symposium bringing together 13 leaders of international design weeks, festivals, and biennials on the topic of circular design. The Circular Design Assembly was established to create a platform for international collaboration, where attendees could explore ways to embed circular economy principles into the fabric of their design weeks.

Also in March, the charity celebrated its partnership with the RSA with the /Partnership for Change/, an open-access event that introduced the work of both organisations and explored stories from across a global network of design practitioners.

In October 2021, London's prestigious Design Museum opened /Waste Age: What Can Designers Do? / a ground-breaking exhibition into the current linear economy and its chronic waste crisis. The Ellen MacArthur Foundation played an important role in this exhibition, steering on the overall storyline, and curating an impressive section of the show that demonstrated packaging innovation strategies, with real illustrative examples.

The charity has also grown a group of 30,000 engaged designers on LinkedIn, sharing their own stories of experimentation and learning in this space.

Thirdly, and perhaps most importantly, the charity will catalyse action, creating the platform for organisations in its network and beyond to put circular design into practice.

Having developed design-focused insights on the circular economy, the charity is well-placed to take these insights to its network, to catalyse systemic solutions at scale, particularly in the plastics, fashion, and food industries.

In 2020, the charity established the Circular Design Leaders, the world's first group for Chief Design Officers working to accelerate the transition to the circular economy. The group convenes on a quarterly basis, to support organisations' transformation efforts, share best practice, and use a common voice to inspire the global design audience. To complement this, in November 2020 the charity ran a 6-month pilot for practitioners in design teams, to improve their awareness and understanding of the circular economy. Learnings from this Design Interest Group have been incorporated into the development of better content and guidance on the topic.

In Autumn 2021, the charity developed and published a range of physical and digital workshop assets for businesses to explore and apply the strategies from the Upstream Innovation Guide for plastic packaging. This six-month effort engaged directly with over 450 design professionals from agencies and FMCG companies, to increase their circular design capabilities. Similar engagement activities are in development following the 2021 release of the Circular Design for Fashion book, and the Big Food Redesign study.

*Through its **COMMUNICATIONS** channels, the Charity disseminates leading examples of circular economy activity by businesses and policymakers around the globe.*

During the financial year, the Foundation's communications efforts continued to build around our key objectives in support of our 2025 Strategy.

We delivered growth in reach and engagement, whilst also building following amongst our core audiences. We worked on improving the quality of our communications, and aligning our content with the new brand visual identity,

Across our existing channels, we were able to build our following and subscribers to 488,000 (53% increase year-on-year), increase the number of impressions to more than 280m (2020: 41m) and increase the number of video views to over 15 million in one year (141% increase).

Recognising the value of YouTube (the world's second-largest search engine after Google), we invested a significant amount of resource into growing this channel and achieved a 121% increase in subscribers that year. We have been working with a UK agency that specialises in video content and distribution, to optimise our YouTube channel and deliver higher quality content using highly targeted campaigns.

We increased the number of media articles featuring the Foundation in one year to 10,432 (6% increase). Most notably, we were featured in a number of Tier 1 outlets, including the Financial Times, Vogue, the Independent, the Guardian, El Tiempo, BBC, National Geographic, Forbes, UOL, Valor Economico, and the Washington Post.

There were two particularly significant communication messages that we focused on in 2021: the connection between the circular economy and climate change, and the role of design in the transition to a circular economy.

COP26 took place in November 2021. One of our objectives for the event was to ensure the circular economy was recognised as a key part of the solution to climate change, paving the way for legislation and funding for circular economy solutions at scale. In the lead up to COP26, we created an over-arching narrative that would connect our major events and communications activities and lead us strongly into COP26 with a clear message: 'Fix the economy, fix the climate'.

The Foundation's Summit 21 was a pivotal moment for us to connect the dots between climate change and the circular economy ahead of COP26. We launched our new video, *Completing the picture, how the circular economy tackles climate change*, and had special speakers including Christiana Figueres (former executive secretary of the UNFCCC) discussing the role of the circular economy in tackling the 45% of emissions that are not being addressed through the transition to renewable energy.

In early 2021, we also launched our first design campaign across our social media channels, in collaboration with Sid Lee, a partner of the Foundation. Our #CircularDesignNow campaign was an awareness-raising social media campaign which ran for five months. Its aim was to inspire designers with what is possible, and encourage them to increase their knowledge of the practice through our tools and resources.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

The campaign became our best performing social media campaign to date in terms of engagement and impressions. Every post performed above our benchmark with an overall engagement rate of 10.21%. Linkedin was the best performing platform with, on average, 45% more impressions per post than benchmark and an engagement rate 3.6x higher than average on the platform. The best performing topic was Plastics with a 13.56% engagement rate, followed by Cities with 11.86% and Fashion with 10.80%.

To grow the idea of the circular economy, we placed renewed focus on storytelling, messaging and developing a common voice with our Network. Working with our Knowledge Partner, Brunswick, and in collaboration with a number of communications professionals from our Network, we began to uncover the framework on which to build stories about the circular economy.

In the later part of the financial year, we began to test a simplified version of the three principles of the circular economy, creating messaging 'building blocks' which communicators can use: **eliminate** (waste and pollution), **circulate** (products and materials at their highest value), and **regenerate** (nature). The plan is to fully embed these in our communications and across our channels in the 2022 financial year. As part of our Common Voice agenda, we are also encouraging our Network to apply them when communicating the bigger idea of the circular economy.

Communications and Latin America

With a strong Communications approach in the region, enhanced since the establishment of the relationship with Sherlock Comms, PR agency specialised in the Latin American market, the attention to the circular economy and EMF in local media in target countries (Brazil, Colombia, Chile and Mexico) increased significantly, doubling in reach, to nearly 40 million media impressions, approximately 20% of the global EMF numbers. With support from Sherlock Comms, the team has continually refined the focus on high quality, high impact media vehicles, including broadcast and online media as well as the press. Social media has continued to be an important driver to expand follower base and refine the message to our target audiences in both Portuguese and Spanish. During the fiscal year, two Instagram channels (in Portuguese and Spanish) were launched and there is consistency across the campaigns both globally and regionally in Facebook and Instagram, evidencing the leadership of LatAm in growing EMF's language approach. We have also continued to contribute to the design of the new website and have started to populate it with contents in Portuguese and Spanish, which is a big step towards a more diverse and inclusive website.

Latin American stories and insights have been featured in both our Network events (Network Workshop, Summit, CE Shows) as well as in reports ("The Nature Imperative"). Video production in the region delivered a mini documentary about the Food story in São Paulo, which has been used in the announcement of the strategic partnership with the

City and a video web series was approved by the Portfolio Management Group to feature successful food stories aligned to The Big Food Redesign report (to be launched in mid 2022).

STRATEGIC REPORT - LOOKING AHEAD

The Foundation continues to work towards its 2025 strategic target of unstoppable momentum towards a circular economy. During the 2021/22 year, it will focus on refining and consolidating its activity in the context of this 2025 vision.

It will continue to focus on the demonstrator programmes of Plastics, Food and Fashion, working with multiple actors across the system to develop and showcase a circular economy approach within key industries. This work will be underpinned by enabling opportunities pointed to by its Finance and Design initiatives.

At the same time, it will continue to work on taking the discussion upstream, and on activating the Network around an upstream agenda. After several years of focusing mainly on technical materials, the Charity will place greater emphasis on regenerative topics within the circular economy mode, publishing two pieces of thought leadership on Food and on Biodiversity respectively, during the first half of the year. These will make the case for regenerative practices, whilst reinforcing the overall circular economy mindset of upstream solutions and redesigning whole systems.

The Foundation will also continue to reinforce the economic case for a transition to a circular economy, using case studies from the Network to further demonstrate this, and to promote solutions and approaches that have the potential to scale. In reinforcing the economic case, the Foundation will again consider the whole economic system including building demand, a focus on longer-term economics, regulatory requirements, brand equity and transitionary finance.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

Measuring and reporting on progress towards circular economy targets becomes increasingly more important as the charity moves towards the ambitions it has set for 2025, and it will work with the Network to develop and introduce new mechanisms during the year.

The 2021/22 year will see growth in the size of the Foundation team across all of its strategic geographies, and this will be supported by an increased focus on operational planning, and on putting the right systems, process, tools and funding in place to ensure a robust infrastructure and the maintenance of the Foundation's culture and values.

Combining this focus on organizational development with its ongoing strategy to develop and promote the idea of a circular economy, whilst mobilizing systemic solutions with its network of key actors, will move the Foundation closer towards its vision of unstoppable momentum towards a circular economy by 2025.

COVID-19

The Charity has continued to respond well to the risks posed by the COVID-19 pandemic, and these have been effectively mitigated. Funding remains robust, staff have been supported by numerous formal and informal initiatives and support systems (including online group extracurricular activities, online gym, counselling, flexible working arrangements, home-office facilities/set-up) and collectively have continued working at normal capacity. Events and relationship management have successfully moved online, and office health and safety processes have not materially impacted efficiency or culture. The Charity's objectives have been framed in light of the pandemic, to take account of the circumstances and opportunities.

FUNDING MODEL

The Charity's funding continues to come from two main sectors: corporate partnership / membership, and philanthropy. No funding is generated from the general public. The Trustees monitor the activities of Ellen MacArthur Foundation and Ellen MacArthur Foundation Trading Limited in relation to fundraising.

From the philanthropic community the Charity receives both unrestricted (core) and project funding. In the year, core funding was received from the Eric & Wendy Schmidt Fund for Strategic Innovation, MAVA Fondation pour la Nature, SUN (Foundation for Environmental Economics and Sustainability) and People's Postcode Lottery under their external lottery management license promoting lottery draws on behalf of charities. Twelve funders supported projects and initiatives including the Schmidt Family Foundation, the Eric & Wendy Schmidt Fund for Strategic Innovation, SUN (Foundation for Environmental Economics and Sustainability), MAVA Fondation pour la Nature, People's Postcode Lottery, the OAK Foundation, the C&A Foundation, the Walmart Foundation, Calouste Gulbenkian Foundation, Stiftung Auxilium, Stichting Doen, IKEA Foundation, The Charity continues to seek opportunities to increase its core and project funding from trusts and grant awarding bodies.

FINANCIAL REVIEW AND RESERVES POLICY

The statement of financial activities for the year ended 31 August 2021 is set out on page 26 of this report.

Income

Total incoming resources for the year increased by £5,720,000 to £18,144,000, an increase of 46% on the previous financial year (2020 £12,424,000). The income received was predominantly from donations (£13,633,000) which accounts for 75% of income received in the year (2020 £8,281,000 - 71%).

The increase reported in income for the year is mainly attributable to funding from PPL (People's Postcode Lottery) under their external lottery management license promoting lottery draws on behalf of charities. We have a new Network membership structure which has increased the income streams in this area. Income was received for a bio-diversity project in this financial year along with the timing of funding into our systemic initiatives and international outreach programmes.

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

Expenditure
Total expenditure for the year increased by £3,022,000 to £14,595,000 (2020 £11,573,000). This increase is largely due to the PPL operational costs from the lottery draws, as well timing of projects where income is received before project expenditure is committed, particularly within the Systemic Initiatives and the growth of the Charity over the year.

Investments
The objective of the Charity's investment policy is to preserve and, if possible, enhance the real value of its assets by keeping an appropriate balance between maximizing long-term returns while avoiding undue risk and volatility in capital values. The Charity currently invests in interest bearing cash deposits with its bank. These readily realisable investments are reported within the total Cash and Cash Equivalents on the Balance Sheet. Investment gains were £4,000 (2020: £18,000) with an overall return of 0.03%. However, the current investment approach is being reviewed in order to consider potential to improve management of the Charity's assets, taking into account risk, return, and ethical imperatives. To that end, the Charity has assessed potential investment managers with whom to work and is aiming shortly to make an engagement.

Reserves Policy
As of 31 August 2021, the Charity had consolidated net assets of £21,233,000 (2020 £17,684,000), primarily representing cash at bank of £18,234,000 (2020: £15,072,000). The amount of cash at bank has increased in the period due to the timing of income receipts and project expenditure, together with increased profits in the trading subsidiary.

Of the net assets, £7,392,000 (2020: £8,598,000) are restricted income funds which are held for the completion of projects undertaken by the Charity. Of the unrestricted funds, the trustees have designated £1.25m for specific projects in the 2021-22 financial year, these are the Circular Economy Performance Measurement initiative, a mechanism to demonstrate scaled impact towards the circular economy and for the specific growth of the operations team to cope with the overall increase in activity and people at the Charity, such as new HR software systems and expansion of the People team. The Trustees ensure the overall health of the Charity by requiring its free reserves (the sums retained to withstand any short-term financial risk) to be closely monitored. The reserves policy is considered annually by the Trustees. At 31 August 2021 the Charity's free reserves stood at £5.7million (2020: £4.61 million), and the increase reflects the timing of core projects and activities undertaken. At approximately 7.5 months of charitable operating expenditure, this is within the Charity's policy to maintain 6-9 months of operating costs in reserve. The Charity continues to operate in an uncertain economic environment where the timing of the funding for new and substantial projects are both uncertain and irregular. The Charity remains vigilant to ensure funding is in place to undertake future projects and operations. The Charity remains a dynamic organisation, which has seen rapid growth of, and interest in, its activities, and such a level of reserves is considered sufficient to unwind the ongoing commitments to projects and the financial obligations from contracts in place.

Subsidiaries
The profit distributed to the Charity during the year from the trading subsidiary was £1,948,000 (2020: £899,000) as detailed in note 6 to the accounts, and subsequent to the year-end £1,746,000 has been distributed to the Charity. Profits made in the trading subsidiary are detailed in note 7 to the accounts. The increase achieved is attributable to cost efficiencies in running online rather than in-person workshops and events due to the COVID-19 pandemic. The results for the two sister charities are shown as designated funds and can be seen in note 7 to the accounts.

Going Concern
The Trustees have reviewed the financial position and financial forecasts, taking into account the systems of financial control and risk management. As a result of this review, the Trustees believe that the Charity is well placed to manage operational and financial risks successfully. Accordingly, the Trustees have a reasonable expectation that the Charity and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to support the going concern basis of accounting in preparing the annual accounts.

RISK MANAGEMENT

The nature and range of the Charity's operations presents numerous and varied risks, including those relating to:

- people (including retention and recruitment);
- finance (including reliability of income and management of capital);
- legal and regulatory risk and compliance (including in relation to personal data, health and safety, charity law, and disputes, both in the UK and across the charity's international operations);

TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

- reputation (including protection of brand and IP against third party challenge);
- structure and operations (including in relation to counterparty diligence, IT and cyber security, culture and performance);
- strategy (including clarity and relevance of mission).

The Trustees monitor and manage risks by way off a risk register, detailing relevant risks, which is compiled internally (and kept up to date as risks change) under the leadership of the CEO and COO, and a risk summary, which is drawn from the risk register. This identifies the most significant risks (from time to time), to ensure those risks are recognised and receive appropriate Trustee focus. The risk register and risk summary - which include risk mitigations and internal responsibilities - are presented to the Trustees annually by the CEO and COO.

Risks are managed on a day-to-day basis by the Executive Leadership Team and Leadership Team, whose members have individual and/or collective delegated responsibilities for given matters.

The key current risks being carefully and actively managed, but not perceived to carry high significance are:

1. threats to reputation, through misuse of brand, mis-understanding of or challenges to mission and concept;
2. threats to income and capital, arising through the funding model; and
3. threats to operations, including through challenges induced by the COVID-19 pandemic and BREXIT.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for their annual report and the preparation of financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. In the preparation of those financial statements, the Trustees are required to:

- Select suitable accounting policies and ensure they are applied consistently;
- Make judgments and estimates that are reasonable and prudent;
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006 and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They also have responsibility for ensuring that the Charity has appropriate systems and controls (financial and otherwise) and that reasonable steps are taken for safeguarding the assets of the Charity and for the prevention and detection of fraud and other irregularities.

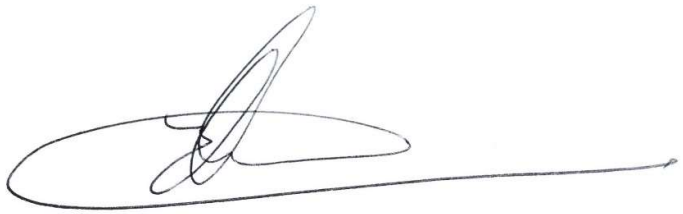
TRUSTEES REPORT INCLUDING DIRECTORS AND STRATEGIC REPORT (continued…)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

In approving the Trustees Annual Report, we also approve the Strategic Report included therein, in our capacity as Company directors.

Approved and Signed on behalf of the Board of Trustees:



Dame Ellen MacArthur

Date 24 May 2022

AUDIT REPORT
Independent Auditors' Report to the trustees and members of Ellen MacArthur Foundation

Opinion

We have audited the financial statements of the Ellen Macarthur Foundation which comprise the Group and Parent and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 trustees' 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 group's and parent charitable 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 trustees 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 trustees are responsible for the other information contained in 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.

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 course of 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 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.

AUDIT REPORT (continued…)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees 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 trustees 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 group and parent 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 group or parent 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

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

AUDIT REPORT (continued…)

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

…… Date: …24 May 2022……..

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	7,363	6,270	13,633	8,281
Charitable activities	4	10	-	10	17
Income from other trading operations	7	4,495	-	4,495	4,108
Investments	5	4	-	4	18
Other income		2	-	2	-
TOTAL INCOME		11,874	6,270	18,144	12,424
EXPENDITURE ON:					
Fundraising costs	8	151	-	151	353
Commercial trading operations	7	2,729	-	2,729	2,180
Charitable activities	8	4,159	7,476	11,635	8,820
Other	8	80	-	80	220
TOTAL EXPENDITURE		7,119	7,476	14,595	11,573
NET INCOME/(EXPENDITURE)		4,755	(1,206)	3,549	851
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		4,755	(1,206)	3,549	851
RECONCILIATION OF FUNDS					
Fund balances as at 1 September 2020		9,086	8,598	17,684	16,833
Fund balances as at 31 August 2021		13,841	7,392	21,233	17,684

The Statement of Financial Activities includes all gains and losses in the period.

All incoming resources and resources expended derive from continuing activities.

A full comparative statement of financial activities is shown in note 2.

CONSOLIDATED AND CHARITY BALANCE SHEET
At 31 August 2021

	Notes	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
FIXED ASSETS					
Tangible fixed assets	11	751	644	447	384
Fixed asset investment	12	-	-	-	-
		751	644	447	384
CURRENT ASSETS					
Debtors	13	5,997	5,458	5,165	4,381
Cash at bank and in hand		18,234	15,072	14,451	11,963
		24,231	20,530	19,616	16,344
CREDITORS					
Amounts falling due within one year	14	(3,749)	(3,490)	(1,133)	(1,470)
NET CURRENT ASSETS		20,482	17,040	18,483	14,874
TOTAL NET ASSETS		21,233	17,684	18,930	15,258
FUNDS					
Unrestricted funds					
Unrestricted general funds	15	12,591	9,086	10,288	6,660
Designated fund	15	1,250	-	1,250	-
		13,841	9,086	11,538	6,660
Restricted funds	16	7,392	8,598	7,392	8,598
		21,233	17,684	18,930	15,258

The financial statements on pages 26 to 46 were approved by the Board of Trustees and signed on its behalf by:



Mr Wolfgang Blau

Dated: 24 May 2022

Company Registration Number: 06897785

The notes on pages 29 to 46 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
Year ended 31 August 2021

	Notes	Group 2021 £'000	Group 2020 £'000
CASH FLOW FROM OPERATING ACTIVITIES	(Below)	3,413	3,990
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(255)	(418)
Interest received		4	18
NET CASH FLOW FROM INVESTING ACTIVITIES		(251)	(400)
Net increase in cash and cash equivalents		3,162	3,590
Cash equivalents at 1 September 2020		15,072	11,482
CASH EQUIVALENTS AT 31 AUGUST 2021		18,234	15,072

Cash and cash equivalents consists of:

Cash at bank and in hand	18,234	15,072
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2021	18,234	15,072

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:

	2021 £'000	2020 £'000
Surplus for the year	3,549	851
Depreciation	147	114
Loss on disposal of fixed assets	-	1
Interest received	(4)	(18)
Movement in deferred income	(5)	760
Movement in creditors	265	5
Movement in debtors	(539)	2,277
Net cash flow from operating activities	3,413	3,990

ANALYSIS OF CHANGES IN NET DEBT

	As at 1 September 2020 £	Cash-flows £	As at 31 August 2021 £
Cash	15,072	3,162	18,234
Bank charge cards repayable on demand	(4)	(1)	(5)
	15,068	3,161	18,229

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General information and basis of preparation
The Ellen MacArthur Foundation is a charitable company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as an Educational and Research Charity with the aim to inspire a generation to re-think, redesign and build a restorative circular economy.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group accounts
Ellen MacArthur Foundation Inc and and Ellen MacArthur Foundation Brazil are considered to be subsidiaries, within the requirements outlined in SORP FRS102 section 24.16, because Ellen MacArthur Foundation UK ("EMF UK") has the power to govern financial and operating policies as set out in specific clauses included within each of the charities constitution documents and, in the event of dissolution, remaining assets will be transferred to EMF UK. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of EMF UK, EMF Inc and EMF Brazil are identical and the objects of all three organisations are closely matched within each respective memorandum and articles of association thus ensuring that EMF Inc and EMF Brazil contribute to the aims and purposes of EMF UK and benefits common beneficiaries. All financial statements are made up to 31 August. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made on consolidation to bring the accounting policies used into line with those used by other members of the group.

The summary financial statements of EMF Inc and EMF Brazil are shown in Notes 7 and 12.

Fund accounting
- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where donations relate to a work programme based on academic years, then receipt in advance is deferred to the appropriate year.
- For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income recognition (continued)

- Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example: the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure;
- Value in Kind commitments on projects is often used as a method to obtain engagement with funding partners on projects, although these are not within the Charity's control, and cannot be verified, and as a result a fair value estimate cannot be determined to be included in the accounts.
- No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report;
- Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Investment income is earned through holding assets for investment purposes such as funds on deposit, shares and property. It includes interest. It is included when the amount can be measured reliably.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Accrued income
The amounts receivable on future dates under signed funding agreements are included in accrued income.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes activities to seek out and agree terms with major donors, together with the costs of the trading subsidiary;
- Expenditure on charitable activities includes project costs on the charity's various projects as identified in the notes to these accounts; and
- Other expenditure represents those items not falling into the categories above including governance costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Creditors
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Pension
The charity has a defined contribution pension scheme for all eligible employees. The assets of the scheme are held separately to the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable for the year.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

Financial assets and liabilities
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial assets (which include debtors and bank and cash balances) and basic financial instruments (which includes creditors) are initially measured at transaction price including transaction costs, and are subsequently carried at amortised cost. Financial assets classified as receivable within one year or financial liabilities classified as payable within one year are not amortised.

Fixed Assets and Depreciation
Assets costing more than £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment	25% and 33%	Straight line
Furniture and equipment	20% and 25%	Reducing balance
Improvements to leasehold property	10% to 33%	Straight line, over the duration of the lease

Taxation
No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

Foreign Currency Transactions
Transactions in foreign currencies are translated into Sterling at the average rate prevailing for the month in which they occur. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date.

The results of the US and Brazil sister charities are translated at average rate (income and expenses) and closing rate for the purposes of Consolidation.

Judgements and key sources of estimation uncertainty
In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern
The financial statements are prepared on a going concern basis which assumes the charitable group will continue in operational existence for the foreseeable future. Whilst the charity's income has declined during the year under review, this was largely attributable to factors other than the coronavirus pandemic which has not significantly affected the group's financial position. The trustees have reviewed the forecasts and projections prepared by management for a period of at least twelve months from the date of approval of the financial statements and are satisfied that the assumptions used in their preparation are reasonable. Having made enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group will continue to meet its liabilities as they fall due and accordingly continue to adopt the going concern basis in the preparation of the financial statements.

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 As restated £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		3,653	4,628	8,281	15,604
Charitable activities		17	-	17	10
Income from other trading operations		4,108	-	4,108	3,449
Investments		18	-	18	25
TOTAL INCOME		7,796	4,628	12,424	19,088
EXPENDITURE ON:					
Fund raising costs		353	-	353	143
Commercial trading operations		2,180	-	2,180	2,550
Charitable activities		2,716	6,104	8,820	6,996
Other		220	-	220	70
TOTAL EXPENDITURE		5,469	6,104	11,573	9,759
NET INCOME/(EXPENDITURE)		2,327	(1,476)	851	9,329
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		2,327	(1,476)	851	9,329
RECONCILIATION OF FUNDS					
Fund balances as at 1 September 2019		6,759	10,074	16,833	7,504
Fund balances as at 31 August 2020		9,086	8,598	17,684	16,833

3. DONATIONS, LEGACIES AND GRANT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Learning:				
The Schmidt-MacArthur HE Programme	-	646	646	276
Business:				
Global Partner Donations	1,085	-	1,085	1,350
Network income	1,350	-	1,350	-
Core Funding:				
Core Philanthropic Funding	1,570	-	1,570	1,872
Peoples Postcode Lottery	2,019	-	2,019	-
Other donations	124	-	124	-
Institutions, Governments and Cities:				
Specific Research Projects	736	670	1,406	434
International Outreach	479	1,710	2,189	1,864
Systemic Initiatives:				
New Plastics Economy Initiative	-	2,991	2,991	349
Make Fashion Circular	-	-	-	1,248
Cities and Circular Economy for Food	-	253	253	888
Total grants and donations	7,363	6,270	13,633	8,281

For details of the grant income and restricted funds, please refer to note 15. As part of funding agreements, for many projects, the Foundation seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

Peoples Postcode Lottery

The net lottery income proceeds received are analysed as follows:

	2021 £'000	2020 £'000
Ticket value	6,311	-
Prize fund	(2,524)	-
Management fee	(1,768)	-
Net lottery income in the year	2,019	-

NOTES TO THE FINANCIAL STATEMENTS (continued...)

3. DONATIONS, LEGACIES AND GRANT INCOME (continued)

Comparative Donations, Legacies and grant income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 As restated £'000
Learning:				
The Schmidt-MacArthur HE Programme	-	276	276	607
Business:				
Global Partner Donations	1,350	-	1,350	2,250
Core Philanthropic Funding	1,872	-	1,872	1,669
Institutions, Governments and Cities:				
Specific Research Projects	-	434	434	221
International Outreach	431	1,433	1,864	2,443
Systemic Initiatives:				
New Plastics Economy Initiative	-	349	349	5,832
Make Fashion Circular	-	1,248	1,248	1,267
Cities and Circular Economy for Food	-	888	888	1,315
Total grants and donations	3,653	4,628	8,281	15,604

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Rental income	3	-	3	12
Rechargeable items	7	-	7	5
Total other incoming resources	10	-	10	17

Comparative Income from Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Rental income	12	-	12	2
Rechargeable items	5	-	5	8
Total other incoming resources	17	-	17	10

NOTES TO THE FINANCIAL STATEMENTS (continued...)

5. INTEREST AND INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Bank interest – monies held in interest bearing deposit accounts	4	-	4	18

Comparative Interest and Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Bank interest – monies held in interest bearing deposit accounts	18	-	18	25

6. FINANCIAL PERFORMANCE OF THE CHARITY

The Consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary Ellen MacArthur Foundation Trading Limited and the results of Ellen MacArthur Foundation Inc., which operate events and services for the Charity and clients. The summary financial performance of the Charity alone is:

	2021 £'000	2020 £'000
Income from donations and legacies	13,154	7,850
Rechargeable items	7	5
Rental Income	3	12
Gift aid donation from subsidiary company	1,948	899
Other income	2	-
Investment income	4	18
	15,118	8,784
Expenditure on charitable activities	(11,295)	(8,715)
Cost of generating funds	(151)	(352)
	(11,446)	(9,067)
Net income for the year	3,672	(283)
Total funds brought forward	15,258	15,541
Total funds carried forward	18,930	15,258
Represented by:		
Restricted funds	7,392	8,598
Designated fund	1,250	-
Unrestricted general funds	10,288	6,660
	18,930	15,258

NOTES TO THE FINANCIAL STATEMENTS (continued...)

7. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

Income from Trading Subsidiary:
The wholly owned trading subsidiary Ellen MacArthur Foundation Trading Limited is incorporated in England and Wales and pays all of its profits to the Charity by distribution. The company operates events, runs the Circular Economy 100 programme for businesses, publishes books, and undertakes commercial trading operations. The Charity owns the £1 ordinary share of the company.

The summary financial performance of the subsidiary above is:

	2021 £'000	2020 £'000
Turnover	4,495	4,108
Cost of sales and admin costs	(2,729)	(2,180)
Net Profit	1,766	1,928
Distributed to parent during the year	(20)	-
Retained in the subsidiary	1,746	1,928
The assets and liabilities of the subsidiary were:		
Fixed assets	300	257
Current assets	4,040	3,903
Current liabilities	(2,594)	(2,232)
Net assets	1,746	1,928

Subsequent to the balance sheet date a distribution of £1,745,716 was made to the Charity.

These Group accounts also include the results of the US sister charitable company Ellen MacArthur Foundation Inc., which for the year generated a surplus of £80,000 (2020: £84,000) and had reserves carried forward of £557,000 (2020: £477,000).

The Foundation also has a sister charity in Brazil, Ellen MacArthur Foundation Brasil, which for the year generated a deficit of £21,000 (2020 - £21,000 surplus), and has reserves carried forward of £nil (2020 - £21,000).

NOTES TO THE FINANCIAL STATEMENTS (continued...)

8. EXPENDITURE BY ACTIVITY

	Charitable	Support	Other (Governance)	Fundraising	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Learning:						
The Schmidt-MacArthur HE Programme	586	59	-	-	645	550
Education Projects	639	88	-	-	727	546
Business:						
Global Partners and Funding	-	21	-	151	172	421
Institutions, Governments and Cities:						
Specific Research Projects	874	104	-	-	978	612
International Outreach	1,932	133	-	-	2,065	2,296
Systemic Initiatives:						
New Plastics Economy Initiative	2,392	238	-	-	2,630	1,844
Make Fashion Circular	1,401	140	-	-	1,541	1,056
Cities and Circular Economy For Food	1,052	61	-	-	1,113	573
Finance	167	23	-	-	190	134
Insight & Communications	1,504	210	-	-	1,714	1,098
Governance						
Audit and accountancy	-	-	55	-	55	109
Legal and professional	-	-	25	-	25	111
Support allocation	-	11	-	-	11	43
	10,547	1,088	80	151	11,866	9,393

Support costs are made up as follows:

	2021 £'000	2020 £'000
Communications and IT	153	169
Design, print and office costs	26	14
Rent, and property costs	214	124
Insurances	2	24
Depreciation	68	56
Professional services and consultancy	81	114
Currency translation and finance costs	18	12
Staff costs	424	390
Travel training and recruitment	102	99
	1,088	1,002

Support costs are allocated to direct projects, firstly on the basis of any agreed project contribution to support costs, and then on the basis of the total resources incurred in each area.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

8. EXPENDITURE BY ACTIVITY (continued)

Comparative Expenditure by Activity

	Charitable	Support	Other (Governance)	Fundraising	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Learning:						
The Schmidt-MacArthur HE Programme	500	50	-	-	550	511
Schmidt-MacArthur Foundation	-	-	-	-	-	-
Education Projects	458	88	-	-	546	541
Business:						
Global Partners and Funding	-	68	-	353	421	157
Grant payment	-	-	-	-	-	2
Institutions, Governments and Cities:						
Specific Research Projects	538	74	-	-	612	870
International Outreach	2,138	158	-	-	2,296	1,626
Systemic Initiatives:						
New Plastics Economy Initiative	1,677	167	-	-	1,844	1,125
Make Fashion Circular	960	96	-	-	1,056	882
Cities and Circular Economy For Food	515	58	-	-	573	766
Finance	112	22	-	-	134	37
Insight & Communications	920	178	-	-	1,098	615
Governance						
Audit and accountancy	-	-	109	-	109	27
Legal and professional	-	-	111	-	111	43
Support allocation	-	43	-	-	43	7
	7,818	1,002	220	353	9,393	7,209

The grant payable within the prior year was in respect of work carried out by a third party research partner.

9. THE GROUPS OPERATING SURPLUS INCLUDES THE FOLLOWING AMOUNTS

Included in administrative expenses are the following amounts:	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Auditors remuneration	22	16	12	11
Auditors remuneration in respect of prior years	9	45	5	39
Non-audit services from auditor related firm	29	16	22	10
Non-audit services in respect of prior years	6	24	6	19
Payroll services	7	4	7	4
Taxation services	-	-	-	-
Depreciation of owned fixed assets	147	114	69	56

NOTES TO THE FINANCIAL STATEMENTS (continued...)

10. STAFF COSTS

	2021 £'000	2020 £'000
Staff costs in the Charitable Company and Trading Company were		
Wages and salaries	7,469	5,968
Social Security costs	631	527
Pension costs	206	127
Redundancy costs	10	9
Other Employee Benefits	15	10
	8,331	6,641

The Charity and Trading Company have auto-enrolled to meet the requirements of employer pensions. The Charity and Company operates a defined contribution scheme, the assets of which are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund. Amounts owing at the year-end amounted to £61,000 (2020: £39,000) and are included in other creditors.

	2021	2020
The average weekly number of employees during the period was as follows:	172	146

Nineteen employees (2020 – seventeen) received remuneration in excess of £60,000, and they fell in the bands as follows:

	2021	2020
£60,000 to £70,000	9	7
£70,000 to £80,000	4	3
£80,000 to £90,000	1	4
£90,000 to £100,000	2	2
£110,000 to £120,000	2	-
£170,000 to £180,000	-	1
£190,000 to £200,000	1	-

Payments to Trustees and expenses reimbursed can be seen in note 18 to these accounts.

The payment of gross remuneration to Senior Management Personnel during the year was £858,000 (2020 - £935,000).

	2021 £'000	2020 £'000
Employer's pension costs attributed to employee's who were paid over £60,000 were:	58	28

NOTES TO THE FINANCIAL STATEMENTS (continued...)

11. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Improvements to Leasehold Property £'000	Plant and Equipment £'000	Total £'000
Consolidated:			
Cost at 1 September 2020	841	301	1,142
Additions	177	78	255
Disposals	-	(1)	(1)
At 31 August 2021	1,018	378	1,396
Depreciation at 1 September 2020	287	211	498
Charge for the year	97	50	147
At 31 August 2021	384	261	645
Net Book Value at 31 August 2021	634	117	751
Net Book Value at 31 August 2020	554	90	644

	Improvements to Leasehold Property £'000	Plant and Equipment £'000	Total £'000
Charity:			
Cost at 1 September 2020	578	123	701
Additions	130	2	132
At 31 August 2021	708	125	833
Depreciation at 1 September 2020	202	115	317
Charge for the year	66	3	69
At 31 August 2021	268	118	386
Net Book Value at 31 August 2021	440	7	447
Net Book Value at 31 August 2020	376	8	384

12. FIXED ASSET INVESTMENTS

Shares in group undertakings and participating interests

Ellen MacArthur Foundation Trading Limited
The charitable company holds 100% of the share capital of the Ellen MacArthur Foundation Trading Limited. This Company is registered in England and Wales (company number 07110767), and provides consultancy services based on the circular economy, organises the CE100 programme and books and publications. The cost of shares as investment in the charity as at 1 September 2020 and 31 August 2021 was £1, and the net book value as at 31 August 2020 and 31 August 2021 was also £1.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

12. FIXED ASSET INVESTMENTS (continued)

EMF Trading USA, Inc.
The charitable company holds 100% of the share capital of the EMF Trading USA, Inc. This Company is registered in the State of Delaware, USA, and has been dormant since incorporation on 18 May 2020. The cost of shares as investment in the charity as at 1 September 2020 and 31 August 2021 was £1, and the net book value as at 31 August 2019 and 31 August 2020 was also £1.

EMF USA Inc.
EMF USA Inc is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within the USA.

EMF Brazil
EMF Brasil is an affiliate of the Charity with respect to activities conducted in furtherance of the Charity's mission and charitable purpose within Brazil.

13. DEBTORS

	Group		Charity	
	2021 £'000	**2020 £'000**	**2021 £'000**	**2020 £'000**
Trade debtors	786	1,580	252	521
Other debtors	38	668	27	573
Accrued income	4,781	2,914	4,611	2,834
Prepayments	392	296	247	189
Amounts due from Trading Subsidiary Ellen MacArthur Foundation Trading Limited	-	-	28	264
	5,997	5,458	5,165	4,381

Included in the above figures, for both the Group and Charity, are £850,000 (2020 - £450,000) of debtors that are due after more than 1 year.

14. CREDITORS

	Group		Charity	
	2021 £	**2020 £**	**2021 £**	**2020 £**
Amounts falling due within one year:				
Trade creditors – project costs	425	271	324	164
Amounts due to Trading subsidiary	-	-	-	
Accruals	188	56	150	42
Other creditors	114	156	63	45
Taxation and Social Security	221	200	171	148
Deferred income (2021/22 income received in advance)	2,801	2,807	425	1,071
	3,749	3,490	1,133	1,470

Deferred income arises on donations received in advance of the various work programmes relating to the 2021/22 financial year which commenced on 1 September 2021. All of the income deferred at 31 August 2020 was taken to the income and expenditure account in the 2021 accounts, apart from those related to the Schmidt HE project.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

14. CREDITORS (continued)

	Group		Charity	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Deferred income represented:				
At 1 September 2020	2,807	2,046	1,071	786
Amounts released to income in the year	(2,382)	(1,535)	(646)	(275)
Additions in the year	2,376	2,296	-	560
At 31 August 2021				
Consultancy fees in advance	1,382	681	-	-
Schmidt HE	425	1,071	425	1,071
Fibres	178	265	-	-
NPEC	432	461	-	-
Circular Economy 100 fees received	384	329	-	-
At 31 August 2021	2,801	2,807	425	1,071

15. UNRESTRICTED FUNDS

	At 1 September 2020	**Income received**	**Fund Expenditure**	**Transfers**	**At 31 August 2021**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Unrestricted general funds	9,086	11,874	(7,119)	(1,250)	12,591
Designated fund	-	-	-	1,250	1,250
	9,086	11,874	(7,119)	-	13,841

Of the unrestricted funds, the trustees have designated £1.25m for specific projects in the 2021-22 financial year. These are the Circular Economy Performance Measurement initiative, a mechanism to demonstrate scaled impact towards the circular economy, and for the specific growth of the operations team to cope with the overall increase in activity and people at the Charity, such as new HR software systems and expansion of the People team.

Comparative information

	At 1 September 2019	**Income received**	**Fund Expenditure**	**Transfers**	**At 31 August 2020**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Unrestricted general funds	6,759	7,796	(5,469)	-	9,086

NOTES TO THE FINANCIAL STATEMENTS (continued...)

16. RESTRICTED FUNDS

	At 1 September 2020 £'000	Income received £'000	Fund Expenditure £'000	Transferred from un-restricted fund £'000	At 31 August 2021 £'000
Learning:					
Schmidt-MacArthur Higher Education Programme (1)	(3)	646	(645)	-	(2)
Institutions, Governments and Cities:					
MAVA G&C, CE100 and Circular Materials (2), (3)	296	670	(542)	-	424
China (4)	1,631	1,710	(1,459)	-	1,882
Systemic Initiatives:					
New Plastics Economy Initiative (5)	4,187	2,991	(2,622)	-	4,556
Make Fashion Circular (6)	1,280	-	(1,541)	-	(261)
Cities and Circular Economy For Food (7)	1,207	253	(667)	-	793
Total	8,598	6,270	(7,476)	-	7,392

Comparative information for Restricted Funds

	At 1 September 2019 As restated £'000	Income received £'000	Fund Expenditure £'000	Transferred from un-restricted fund £'000	At 31 August 2020 £'000
Learning:					
Schmidt-MacArthur Higher Education Programme (1)	271	276	(550)	-	(3)
Institutions, Governments and Cities:					
MAVA G&C, CE100 and Circular Materials (2), (3)	207	434	(345)	-	296
China (4)	1,934	1,433	(1,736)	-	1,631
Systemic Initiatives:					
New Plastics Economy Initiative (5)	5,682	349	(1,844)	-	4,187
Make Fashion Circular (6)	1,088	1,248	(1,056)	-	1,280
Cities and Circular Economy For Food (7)	892	888	(573)	-	1,207
Total	10,074	4,628	(6,104)	-	8,598

NOTES TO THE FINANCIAL STATEMENTS (continued...)

16. RESTRICTED FUNDS (continued)

Notes

All restricted funds are held within Ellen MacArthur Foundation. As such the consolidated and charity only restricted funds are one and the same.

1) The Schmidt-MacArthur Higher Education Programme relates to funding received from the Schmidt Foundation, a US based Trust, and aims to educate more than one million learners globally. It has been financially supported by the Eric and Wendy Schmidt Fund for Strategic Innovation and was launched in 2019.

(2) MAVA G&C, CE100 and Circular Materials – The Government and Cities project relates to funding to advance the engagement of government and cities with circular economy. The CE100 project relates to funding to drive momentum in the Circular Economy innovation in Cities. The Circular Materials project relates to a project to carry out initial research to advance the understanding of the circular materials landscape.

(3) The Mava Partnership - the Ellen MacArthur Foundation acts as a Partner Organisation to MAVA, providing technical knowledge and strategic advice to identify opportunities for engagement under Mava's proposed strategy outcomes SE4 'Circular Economy in Europe' and SE5 'Circular Economy for Plastics'.

(4) China (MAVA) – MAVA have funded a project to mobilise the broader momentum and focus on the Circular Economy in China, including the growing alignment between the private and public sector on the role the Circular Economy can play in enabling better forms of economic growth.

(5) The New Plastics Economy Initiative project launched in 2016 to bring together key stakeholders to rethink and redesign the future of plastics, starting with packaging. Phase II launched in 2019 and runs until 2025.

(6) The Make Fashion Circular project is an initiative to help the fashion industry ensure clothes are made from safe and renewable materials and investigate new business models that increase their use and turn old clothes into new. This new textiles economy would benefit business, society, and the environment.

(7) The Cities and Circular Economy for Food initiative aims to fundamentally rethink the role of cities in the food system based on the principles of a circular economy. The initiative will stimulate, inform and mobilise new approaches for restorative and regenerative urban food systems and related bio-cycle economic activity.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

17. ANALYSIS OF GROUP NET ASSETS BY FUNDS

Consolidated:

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Fixed assets	751	-	-	751	644
Current assets	4,040	-	1,957	5,997	5,458
Cash at bank	10,868	1,250	6,116	18,234	15,072
Creditors	(3,068)	-	(681)	(3,749)	(3,490)
	12,591	1,250	7,392	21,233	17,684

Charity:

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Fixed assets	447	-	-	447	384
Current assets	3,208	-	1,957	5,165	4,381
Cash at bank	7,085	1,250	6,116	14,451	11,963
Creditors	(452)	-	(681)	(1,133)	(1,470)
	10,288	1,250	7,392	18,930	15,258

Comparative Analysis of Group and Charity Net Assets by type of fund

Consolidated:

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Fixed assets	644	-	644	341
Current assets	4,254	1,204	5,458	7,735
Cash at bank	6,774	8,298	15,072	11,482
Creditors	(2,586)	(904)	(3,490)	(2,725)
	9,086	8,598	17,684	16,833

Charity:

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Fixed assets	384	-	384	164
Current assets	3,177	1,204	4,381	6,504
Cash at bank	3,665	8,298	11,963	9,971
Creditors	(566)	(904)	(1,470)	(1,098)
	6,660	8,598	15,258	15,541

NOTES TO THE FINANCIAL STATEMENTS (continued...)

18. FINANCIAL COMMITMENTS - LEASES

At 31 August 2021 the group had the following minimum lease payments under non-cancellable operating leases,
as follows:

	2021 Property £'000	2021 Other £'000	2020 Property £'000	2020 Other £'000
Consolidated:				
Due within 1 year	99	7	88	5
Due between 2-5 years	349	14	349	14
Due after more than 5 years	154	-	238	-
	602	21	675	19
Charity only:				
Due within 1 year	99	-	88	-
Due between 2-5 years	349	-	349	-
Due after more than 5 years	154	-	238	-
	602	-	675	-

19. RELATED PARTIES

During the year the Charity and Trading Company have occupied offices at an agreed rent, owned by EM (IOW) Ltd, a Company 50% owned by Dame Ellen MacArthur. A charge was made by EM (IOW) Limited for £36,750 (2020 - £37,000) in respect of the office rental, and at the year end £Nil (2020 - £Nil) was outstanding, with £Nil (2020 - £ Nil) included in prepayments.

Charges were made by EM (IOW) Ltd to Ellen MacArthur Foundation for £7,500 (2020 - £18,000) in respect of services provided by Dame Ellen MacArthur, who is a Trustee of the Charity and also a director of the trading subsidiary. At the year-end £Nil (2020 - £10,000) was outstanding. These services were in respect of Ellen's time as a speaker, and for appearances in helping the Company carry out its activities. The payments were not in respect of Ellen's duties as a Trustee of the Charity, and permission was granted in 2014 by the Charity Commission in respect of these payments.

There was no remuneration paid to Trustees for their services as Trustees (2020 – £ Nil). Expenses were reimbursed to one Trustee totaling £234 (2020 – one Trustees £297) in respect of home phone expenses. Expenses were incurred on behalf of the Trustees of £818 (2020 - £nil) in relation to accommodation and subsistence for meetings. At the year end, £Nil (2020 - £58) was outstanding.

20. CONTROLLING PARTY

The charity is controlled by the Trustees.

21. FINANCIAL INSTRUMENTS

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	23,839	20,234	19,370	16,155
Carrying amount of financial liabilities				
Liabilities measured at amortised cost	(948)	(683)	(710)	(398)
	22,891	19,551	18,660	15,757

ELLEN MACARTHUR FOUNDATION

England & Wales - Charity number 1130306

Accounts

Company Number: 06897785
Registered Charity Number: 1130306
Office of the Scottish Charity Regulator Registered Number: SC043120
ANBI RSIN number (Netherlands): 8257 45 925



ELLEN MACARTHUR FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2020

Ellen MacArthur Foundation
Report and Financial Statements for the year ended 31 August 2020

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Ellen MacArthur Foundation
Report and Financial Statements for the year ended 31 August 2020

CHARITY INFORMATION

Trustees	Dame Ellen MacArthur Chair Mr Philip Sellwood Mr Peter Morgan Mr Michael Lebovitz Mr Wolfgang Blau (appointed 1 March 2020)
Chief Executive Officer:	Mr Andrew Morlet
Chief Operating Officer and Company Secretary:	Ms Jo Bootle
Registered Charity Number:	1130306
Scottish Charity Register Number:	SC043120
ANBI RSIN number (Netherlands):	8257 45 925
Registered Company Number:	06897785
Registered Office:	The Sail Loft, 42 Medina Road, Cowes, Isle of Wight, PO31 7BX

Contact details:

Tel:	01983 296463
Email:	info@ellenmacarthurfoundation.org
Web site:	www.ellenmacarthurfoundation.org

Bankers:	Lloyds TSB 30 Commercial Road, Totton, Southampton, SO40 3TH
Auditors:	Moore Kingston Smith LLP Devonshire House, 60 Goswell Road, London, EC1M 7 AD
Governing Instrument:	Memorandum and Articles of Association dated 3 July 2013

TRUSTEES' REPORT INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT
Report of the trustees for the year ended 31 August 2020

The Trustees present their annual report and audited financial statements of the Charity, its trading subsidiaries, and associated US and Brazil charities, for the year ended 31 August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing their annual report and financial statements of the Charity and the Trustees' Report contains the information required in a Directors' Report as set out in English company law.

OBJECTIVES AND STRATEGY

The Charity's foundational objectives are: (i) to promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment and the prudent use of natural resources; and (ii) to advance the education of the public in the conservation, protection, and improvement of the physical and natural environment and to promote study and research in such subjects and for the public benefit and disseminate the useful results.

Those objectives inform the Charity's mission, which is to accelerate the transition to a circular economy. The charity pursues this mission by working with, and inspiring, business, academia, policymakers, and institutions to mobilise systems solutions at scale, globally.

The Charity's vision is a new economic system that delivers better outcomes for people and the environment: an economy that designs out waste and pollution, keeps products and materials in use and regenerates natural systems. Such an economy is regenerative by design – meaning nothing becomes waste and everything has value – is distributed, diverse, and inclusive, and is underpinned by renewable materials and renewable energy.

The Charity aims, by 2025, to have inspired action at scale and created unstoppable momentum towards a circular economy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company limited by guarantee, registered in England under number 06897785, and governed by its Articles of Association. The Company has no share capital (although the subscribers of the Memorandum are obliged to pay a sum not exceeding £1 in the event of winding up). The Charity is registered with the Charity Commission for England and Wales under registered charity number 1130306, with the Office of the Scottish Charity Regulator under number SC043120 and from 1 January 2018 as an ANBI (Algemeen Nut Beogende Instelling) in the Netherlands under number 8257 45 925. The Charity is controlled by its Board of Trustees, with the day-to-day management delegated to the CEO and COO.

The Charity has two wholly owned trading subsidiary companies: Ellen MacArthur Foundation Trading Limited ("EMF Trading") and EMF Trading (USA), Inc. All subsidiary company profits (save operating expenses) are donated to the Charity. EMF Trading is registered in England and provides circular economy services to the Charity's Strategic Partners, Systemic Initiative participants, and other partners and stakeholders. EMF Trading (USA), Inc was established in April 2020 and is registered in Delaware, United States. The Charity works closely with two associated charities, Ellen MacArthur Foundation USA, Inc (in the United States) and Ellen MacArthur Foundation Brazil (in Brazil). These accounts reflect all activities on a consolidated basis.

Trustees
The directors of the Company are the Charity's Trustees. The Trustees as listed on page 2 all served throughout the period with the exception of Wolfgang Blau who was appointed as a trustee on 1 March 2020. Trustees are appointed by agreement of the existing Board of Trustees on the basis of their specific skills or knowledge in a sector beneficial to the Charity. The current Trustees include experts in sustainability, media and communications, and law. A process of induction and training is provided to Trustees, including awareness and guidance produced by the Charity Commission. The Trustees give their time freely and no remuneration for Trustee duties was paid in the relevant period. Details of Trustee expenses and related party transactions are disclosed in note 19 to the accounts.

Public Benefit
In their governance of the Charity the Trustees have had due regard to the guidance produced by the Charity Commission in respect of public benefit. The Charity seeks to deliver such benefit through the pursuit of its objectives and vision.

Management Structure and Remuneration
The Trustees delegate responsibility for the day-to-day operational management of the Charity to the CEO and the COO. The CEO and COO work with an Executive Leadership Team to develop and deliver the Charity's strategy and to manage finances, people and operations. The Executive Leadership Team has representation from across the organisation including Executive Leads for Business, Communications, Institutions Governments & Cities, Philanthropy, and Systemic Initiatives. A wider Leadership Team – comprising the leaders of the Charity's teams and functions – is responsible for executing strategy.

The Trustees and Charity management have fostered the Charity's unique culture to create an environment for its people and teams to thrive, including by addressing the challenges posed by remote and isolated working. Virtual team days, weekly organisation-wide calls, and other wellness initiatives are intended to ensure that all members of the team remain connected and resilient. The Charity has reviewed and is in the process of renewing its diversity and inclusion policies and practices, with a view to ensuring diversity and inclusiveness in its team (at all levels, including the Board of Trustees), as well as in operations and outcomes.

Salary reviews are conducted annually following a performance review process led by the Executive Leadership Team, who recommend salary changes to the CEO and COO. Those recommendations are evaluated in the context of internal considerations (including organisation structure, nature of the role, team and individual performance, and affordability), as well as external factors (market benchmarks, cost of living assessments). CEO and COO salary adjustments and bonuses are discussed and agreed by the Trustees.

ACHIEVEMENTS AND PERFORMANCE

"*In a challenging and extraordinary year the Charity stepped up, not back. The team demonstrated remarkable resilience and determination, refining ambition and messaging as the circular economy agenda became more relevant than ever. The Charity fostered its unrivalled public-private collaborative network with a clear sense of direction to accelerate the transition to a circular economy.*" Dame Ellen MacArthur

INTRODUCTION
The Charity entered the financial year well-placed to execute its strategy, with strong network relationships and a track record of scale impact. The Charity maintained and delivered on its expectations despite the COVID-19 pandemic. Its financial position was strong, its key partners and funders indicated their ongoing support, and the team adapted to the emerging crisis with commitment and flexibility: the Charity swiftly migrated to digital and virtual platforms and transferred to home-working, whilst also transforming its workplaces into covid-secure havens including a specially adapted recording and filming studio in Cowes, Isle of Wight.

Set out below is a summary of the Charity's achievements and performance across key workstreams: The Network; Systemic Initiatives; Institutions, Governments & Cities; Learning; Design; and Communications.

THE NETWORK
The Charity has created a global multi-stakeholder network of businesses, innovators, cities, governments, universities, and thought leaders with multiple perspectives and a wide range of expertise. The Network is organised into three categories: Strategic Partner, Partner, and Member. Strategic Partners are champions of the circular economy and key stakeholders of the Charity. A Partner is an influencer who publicly endorses the circular economy and is leading on a critical systemic challenge. Members are highly respected organisations and institutions with the ability to deliver impact and demonstrate a high level of buy-in to the vision.

The Charity's **Strategic Partners** in the corporate sector are Blackrock, Danone, DS Smith, Google, H&M, IKEA, Intesa Sanpaolo, Philips, Renault, Solvay, SC Johnson, and Unilever. The Charity welcomed Blackrock and IKEA during the year whilst also renewing its partnership with Unilever and continued renewal discussions with Renault, Philips, and Solvay. Notable initiatives undertaken by Strategic Partners include:

- BlackRock's launch of its first circular economy fund whose aim is to drive investments in businesses already contributing to, or benefiting from, the transition to a circular economy. The Charity provides expert insights and guidance on circular economy principles and practices to inform the investment methodology of the fund.
- Intesa Sanpaolo's circular economy hub in Italy with a EUR 5 billion credit ceiling and a commitment to offer best terms to businesses that adopt the circular model in innovative ways.
- Philips's Green Innovation Bond with EUR 500 million allocated to the implementation of circular products and solutions, including investments in new business models.

- The Unilever Sustainable Living Plan, which sets out how the company will decouple growth from its environmental impact and has been central to its business model for the past decade.
- Danone's water brand "Evian" introducing refillable bottles and bottles with 50% recycled plastic content in 2020, and aiming to use 100% recycled plastic across its entire plastic bottle portfolio by 2025.
- SC Johnson's provision of refillable cleaning products, which account for 17% of its total packaging.
- H&M's work to explore solutions to create a closed loop for textiles.
- IKEA's work advocating for circular design and development of new services and offers to encourage customers to acquire, care for, and pass on products in circular ways.
- Google's circular economy vision to become a Circular Google in a Sustainable World.
- DS Smith's launch of its Circular Design Principles with the goal of training its 700 designers in the circular economy and aiming, by 2023, to manufacture 100% reusable or recyclable packaging.
- Solvay's development of new processes using renewable energy and materials that align with the circular economy principles.
- Renault's work on the creation of its Re-Factory in Flins, France, a site dedicated to the circular economy - the first in Europe. Renault's aim is to develop accessible, sustainable, carbon-free mobility solutions for everyone.

Strategic Partners, Partners and Members come together in workshops, at an annual summit and also participate in and enjoy the Charity's Circular Economy Show, aired fortnightly. **Network Workshops** were held during the year in virtual formats and welcomed over 2,000 representatives from approximately 400 different bodies. The Charity's **Annual Summit**, usually held in the Summer, was postponed due to COVID-19 allowing the team to construct a successful online programme. It went ahead shortly after year end with an open invitation to every employee of the Charity's Network. A total of 3,100 individuals registered for the live event and, repeating the success of the 2019 Annual Summit, its content received over 2 million views.

Network-led projects produce a variety of outputs including reports, on-the-ground pilot projects, and tools and resources. They offer a pre-competitive environment for businesses, policymakers, and academics to find solutions together with innovators who benefit from the exposure to scale. During the financial year four new projects were launched by network members. Topics included the role of data in enabling the circular economy transition, measuring the avoided release of microplastics by using alternative materials, and designing circular solutions for the take-away industry. Outputs are publicly disseminated on the Charity's website.

Developed by the Charity and launched in January 2020, **Circulytics** allows companies to track their progress towards circular business practices and is the most comprehensive circularity measurement tool available. It is free to use and gives companies a full picture of their circularity across all operations, regardless of the size, complexity or nature of their business. Going beyond simply measuring products and material flows, Circulytics combines company-level data with applied insights and analysis from the Charity to identify opportunities to further adopt and embed circular practices. Between its launch and August 2020, 604 companies signed up, a fifth of which had annual revenues of more than USD 1 billion. 96 companies have completed their assessments and received scorecards (as of 31/08/2020).
The importance and innovation of Circulytics was further recognised when it was awarded the Circular Innovation Award at the 2020 Responsible Business Awards, run by Reuters Events.

SYSTEMIC INITIATIVES
New Plastics Economy (NPEC)

NEW PLASTICS ECONOMY

NPEC is an ambitious global initiative bringing together key stakeholders to rethink and redesign the future for plastics and to create a common vision of a circular economy for plastics, by eliminating the plastics we do not need, innovating to ensure the plastics we do need are reusable, recyclable or compostable, and circulating all the plastic items we use to keep them in the economy and out of the environment.

A joint philanthropic-business advisory board oversees the initiative to ensure the inclusion of a wide set of social, environmental, and business considerations. The board comprises philanthropic partners Eric & Wendy Schmidt Fund and Oak Foundation together with corporate partners Amcor, Borealis, The Coca-Cola Company, Danone, L'Oréal, MARS, Nestle, PepsiCo, Unilever, Veolia, and Walmart, with Google as Technology Partner.

NPEC's Global Commitment, a collaboration with the United Nations Environment Programme (UNEP), unites more than 250 businesses collectively representing more than 20% of all plastic packaging used globally, 20 governments and over 200 endorsers behind a common vision of a circular economy for plastics.



In October 2019, the Charity published the first progress report at the Our Ocean Conference in Oslo, Norway. Shortly after year end the 2020 report provided the first insight into the trajectory of progress against targets.

Key Global Commitment achievements include:

- Significant advances in the incorporation of recycled content in plastic packaging which grew by 22% year on year.
- 31% of signatories had targets in place to reduce virgin plastic in packaging or to reduce plastic packaging altogether.
- Progress in phasing out the most commonly identified problematic categories of plastic packaging such as PVC, undetectable carbon black, single-use plastic bags, and straws.
- Engagement of suppliers across the plastics value chain, seeking compliance with Global Commitment requirements.
- Investment community support, including through significant interest in the data generated by Global Commitment reporting and the adoption of key reporting metrics and definitions by, for example, the S&P Global Corporate Sustainability Assessment and the basis for selecting companies for the Dow Jones Sustainability Indices.

In January 2020 the Charity collaborated with The World Tourism Organisation and UNEP to launch the **Global Tourism Plastics Initiative.** Tourism companies and destinations will make commitments aligned with the Global Commitment. The Charity has also brought together businesses, governments, and civil society within a country or region in a unique global platform: the **Plastics Pact Network.**

- Each locally led Plastics Pact - now totalling over 20 with more than 500 organisations - works towards ambitious, local targets to stimulate the elimination of unnecessary or problematic plastic packaging, the design of all plastic packaging to be reusable, recyclable or compostable, and increased collection, recycling, and recycled content of plastic packaging.
- Plastics Pacts are operational in Chile, South Africa, the USA, the UK, France, Portugal, the Netherlands, and more widely in Europe (with the collaboration of 15 governments and 66 businesses within the European Economic Area, initiated by French, Dutch, and Danish government ministries and with the Waste and Resources Action Programme [WRAP] acting as the secretariat).

Make Fashion Circular

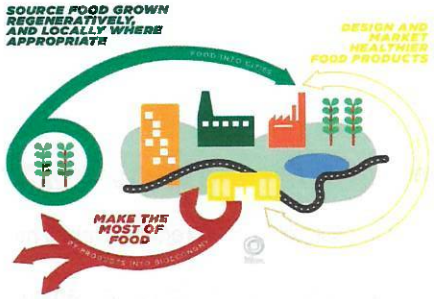


Make Fashion Circular (MFC) has created a blueprint for the fashion industry to redesign the way clothes are made. MFC is helping the industry to design products to be used more, made to be made again, and made from safe and recycled or renewable inputs. Making Fashion Circular will help tackle the root causes of global challenges like climate change, biodiversity loss, and pollution.

Key MFC themes and achievements include:

- A Network of **63 Members** including global brands, retailers, NGOs, other key players, and **7 Partners**: Burberry, Gap, H&M, HSBC, Inditex, PVH and Stella McCartney. MFC is supported by Laudes Foundation, MAVA, and players of the People's Postcode Lottery.
- The **Jeans Redesign Guidelines,** created to drive leading fashion brands and manufacturers to transform the way they produce jeans: to establish minimum requirements on garment durability, material health, recyclability, and traceability. Signatories to the guidelines have signalled an unwavering commitment to circular economy thinking by continuing to use the guidelines to make jeans that reached consumers in 2021 collections.
- In October 2019, the MFC team participated in several panels at the **2019 Shanghai Fashion Week** including the opening conversation for sustainable fashion and a keynote speech at the Future Forum, which outlined the opportunities for circular fashion in China.

The Food Initiative



The Food Initiative, launched in 2019, is supported by philanthropic partners Calouste Gulbenkian Foundation, Stiftung Doen, IKEA Foundation, and Porticus. Its mission is to stimulate a global shift towards a regenerative food system based on the principles of the circular economy.

The initiative works with partners Danone, Google, Mizkan, Nestle, Novamont, Veolia, and Yara, other corporate members, and a community of thirteen participating cities located in Canada, Europe, Japan, South America, and the USA. Two of these cities joined in August 2020: Bogota, Columbia's capital and Kyoto in Japan. Three Flagship Cities, London, New York and São Paulo, inspire other cities through demonstration projects to develop a regenerative global food system. Key Food Initiative work includes:

- **An East Africa landscaping exercise**, funded by the IKEA Foundation, to assess the current state of play and identify leading examples of circular economy in action. It is informing a paper being compiled by the Charity on the opportunity for a circular economy in Africa.
- A **Circular Economy for Food Convening**, co-hosted with New York City, which brought together more than 50 participants including city agencies, growers, food service providers, chefs, brands, innovators, academics, and non-profit bodies.
- The first **Big Food Workshop**, a three-day online event aimed at all stakeholders in the food industry, with more than 34,000 people from 100 countries around the world attending sessions.

INSTITUTIONS, GOVERNMENTS & CITIES
Institutional achievement and engagement during the period included:

- **Informing international policy-making agencies** and multi-lateral processes including the European Commission's Directorate-General Environment, the UN Environment's Economy Division, and the G20 Climate Working Group at the invitation of the Saudi-Arabian Presidency.
- **Participation in a number of conferences** including the launch of Spain's National Circular Economy Roadmap in June 2020 and France's One Planet Labs under the patronage of President Macron.
- **Strategic partnership with UNEP's International Resource Panel.**
- Engagement as a panelist, in March 2020, in the **Circular Economy and Trade workshop** of the Organisation for Economic Co-operation and Development Waste and Resource Working Party.
- The Charity's chair, Dame Ellen MacArthur, joining the board of **PACE** (Platform for Accelerating the Circular Economy) in January 2020. PACE is a co-led initiative of the World Economic Forum (WEF) and the World Resources Institute and has active projects underway on plastics, food, and electronics in Africa, Asia, and Europe.
- Involvement at the **WEF annual meeting in Davos** in January 2020, where the circular economy was the subject of more than 35 dedicated sessions. The Charity's chair, CEO, and other team members joined business executives, government leaders, and ambassadors to define priorities and shape global industry

and regional agendas. The Charity's NPEC session attracted more than 150 delegates discussing how to increase ambition levels to ensure collective targets are achieved by 2025.

- Collaboration with SITRA on the first fully virtual **WCEF online event**, focusing on why and how a circular economy can help reboot and build resilience, presenting some of the world's top business leaders, policy makers and thinkers as speakers including the Charity's chair.
- The release of a paper during Climate Week in New York in collaboration with Material Economics, "*Completing the Picture: How the Circular Economy Tackles Climate Change*", which was then presented at the UN Climate Change Conference (COP25). This paper demonstrates the potential of the circular economy to tackle global greenhouse gas emissions by looking at five key areas - steel, plastic, aluminium, cement, and food.

The Charity continued to inform the narrative of prominent events for **city governments**, disseminating learnings at online events and hosting webinars, including three Circular Economy Show episodes that collectively have achieved more than 100,000 views. The Charity has built on key relationships and explored collaborations with international city networks including Local Governments for Sustainability (ICLEI), UNEP, WWF and the OECD. In addition:

- The Charity provides a suite of online resources, **Circular Economy in Cities**, which acts as a reference point for urban policymakers on the circular economy.
- In March 2020, the Charity became a partner to **ICLEI Europe's Circular Cities Declaration**, which has been signed by 29 cities and provides a common vision of a circular city.
- In February 2020 the Charity published a research report, **"From Principles to Practices: Realising the value of circular economy in real estate"**, which found that the adoption of models based on circular economy principles could enable the real estate sector to reduce its resource footprint and contribute to decarbonisation whilst delivering more productive, agile, and less damaging assets.
- The Charity supported Tongji University College of Design and Innovation in hosting a **Circular Economy Day** as Shanghai shone a spotlight on circular design. The Charity went on to launch the EU-China Circular Design Challenge, advised by the China Association for Circular Economy.
- In November 2019, the Charity's **China** Team ran a two-week study tour in the UK for officials from the National Development Reform Commission and the Chinese Ministry of Ecology and Environment which strengthened engagement on the transition to a circular economy in China. As one of its target geographies, the Charity has submitted an application for the establishment of a Representative Office in China, although its consideration has been delayed by the COVID-19 pandemic.

LEARNING

In 2019, the Charity launched a **circular economy learning programme** including a free-to-access online resource which aims to reach more than one million learners globally and engage 150,000 by 2025: **The Learning Hub** is supported by the Eric and Wendy Schmidt Fund for Strategic Innovation and leverages a broad range of digital tools and learning materials. COVID-19 has dramatically increased the use of online learning tools and during the period The Learning Hub exceeded the Charity's ambitions for both reach and engagement, becoming a reference point for circular economy learning with over 700,000 learners visiting by the end of 2020.

Other key achievements in learning include:

- In **formal education**, continued integration of the circular economy into the curricula of the International Baccalaureate ('IB') whose Diploma Programme for students aged 16 to 19 years is respected by leading universities across the globe.
- The launch, in the Summer of 2020, of a seven-week online programme to introduce 13-18 year olds to the circular economy, building on its successful 2019 Summer School.
- **Higher education** initiatives, where the Charity remains on track to engage with 1,000 universities by 2022. The Charity has 45 Profiled Universities (2019: 24) enabling collaborative ventures and knowledge exchange across Europe, Asia, North and South America, the Middle East, and Oceania.
- In November 2019, a demonstrator workshop was hosted in London to discuss the role of higher education in the City's transition to a circular city. It was attended by representatives from 11 universities and the London Waste and Recycling Board (LWARB). A second workshop took place in June as part of London's Circular City week with 49 attendees from a range of organisations, including 12 universities. The Charity and LWARB have developed and launched a **Direction of Travel for universities in London** to indicate their ambitions in the circular economy space.
- In Spring 2020, the launch of the **From Linear to Circular programme**, a ten-week online webinar series designed for young professionals and postgraduate students. Funded by the Eric and Wendy Schmidt Fund for Strategic Innovation, the programme attracted nearly 8,000 attendees.
- In professional learning, 195 business professionals from the Charity's Network attended the **Circular Economy Masterclass** run by the University of Exeter in collaboration with the Charity.

- The Charity's **Train the Trainer** interactive workshop, which is a plug-and-play resource, for in-business facilitators, and which has been downloaded 250 times.
- **Disruptive Innovation Festival** (DIF) sessions, which invited people to share disruptive ideas and stories. DIF sessions ran in September and November 2019 with a total of 5 million views. From Spring 2020 a programme of targeted monthly live broadcasts were streamed across the Charity's social media channels.
- In Summer 2020, the Charity's Online Events Team launched **The Circular Economy Show**, a weekly opportunity to engage and educate professionals and interested members of the public on various topics around the circular economy. The show garnered over 1 million views.

DESIGN

The Charity is aiming to persuade 20 million designers to adopt circular design in their work and to make a further 60 million designers aware of circularity by 2025. Key achievements and initiatives include:

- The **Circular Design Guide**, a collaboration with global design company, IDEO, which provides information and tools to help designers understand the significance of integrating circular material choices into the design process. More than 100,000 users from over 150 countries have used the Guide in 2019 and 2020.
- The Charity's design team's **engagement with an online community of over 21,000** members and strong relationships with the Royal Society of Arts (RSA), the global creative agency Sid Lee, the Design Museum and the British Council.
- In 2019, the Charity and the RSA were awarded funding by the People's Postcode Lottery Dream Fund for a two-year project to build tools and directly engage with design institutions, top designers and innovators with the aim to inspire the reimagination of products, business models and systems for a circular economy for fashion.
- In December 2019, the Charity ran a second week-long **workshop on circular design** in London (UK) in collaboration with the British Council with selected delegates from ten sub-Saharan African countries.
- **The Cumulus Green 2020**: For A New Circular Economy competition launched in October 2019 with input and resources from the Charity. It invited students from every Cumulus member institution to address the challenges of SDG12: responsible consumption and production. A total of 683 submissions were received from 163 universities across 44 countries.
- Shortly after year end the Charity collaborated with SAP Business Software and the London Design Festival to curate **The Circular Design Project**, which provides a selection of stories and resources that aim to empower and equip the design and creative community to transition towards the circular economy.

COMMUNICATIONS

During the financial year, the Charity saw a significant increase in **reach and engagement** with communication efforts ahead of the 2025 ambition and strategy. The Vision 2025 communications targets were revisited in response to the COVID-19 pandemic to ensure they were specific, realistic, measurable and aligned with overall impact objectives. The focus is on developing, promoting and protecting the idea of the circular economy by using the Charity's brand and network relationships in particular. To this end:

- The Charity continued to build key partnerships across media and branding. Nearly 10,000 articles featured the Charity's work during the year with a total potential media reach of 61 billion.
- Knowledge Partner Brunswick provided input on strategy, communications, and brand positioning.
- The Charity's communications team have applied new tools and processes to dynamically improve the quality and impact of external communications. Special reports and articles were featured in, amongst others, the Financial Times, CNN, the New York Times, the Wall Street Journal, and National Geographic.
- In June 2020, the Charity called on businesses, governments, and financial institutions around the world to join it on the journey towards a circular economy through a statement, published by the Financial Times Weekend, endorsed by 54 leading voices from CEOs to city officials, which achieved extensive media coverage with a potential social media reach from network sharing of 15 million on LinkedIn and 3 million on Twitter.
- In July, the Charity published a series of policy and investment insight papers exploring how circular economy strategies can help build a resilient, low carbon, and prosperous recovery, focusing on five key sectors: the built environment, mobility, food, fashion, and plastic packaging. The social media campaign accompanying this launch achieved an average 4.5% engagement rate and achieved a total combined potential reach of over 500 million globally with strong coverage in China and Latin America.
- Despite some of its major reach events being pushed back due to COVID-19 into the first quarter of the following financial year, the Charity commanded in excess of 41 million (2019: 58 million) total impressions across its social media channels: Facebook, LinkedIn, YouTube, Twitter, and Instagram. At the end of the financial year the Charity had 318,880 subscribers or followers across these channels.

ASSOCIATED CHARITIES

During the financial year, **EMF Brazil** expanded its geographic scope into Latin America despite the difficulties in the region during the COVID-19 pandemic. Its focus on the food and plastics Systemic Initiatives remained central to its work in the region. In particular, its partnership with Flagship City, São Paulo saw demonstration projects and multi-stakeholder collaboration along with growth in the network of participant cities across the continent.

The EMF Brazil team supported conversations for the development of further plastic pacts as well as the Latin America and Caribbean Circular Economy Coalition, ultimately launched in February 2021. COVID-19 caused this launch to be delayed from mid-2020, along with the development of a Latin-America version of the Charity's From Linear to Circular programme, now planned for 2021. During the year, the team augmented the international impact and relevance of the Charity's website and social media platforms by translating content into Portuguese and Spanish.

EMF USA Inc, focused on deepening relationships with key corporate partners, leading to increased engagement in EMF programmes such as NPEC and building relationships in the national policy arena to support future engagement following the USA Presidential Election. In August, the Charity partnered with US-based media outlet GreenBiz Group to organise Circularity 20 with Dame Ellen MacArthur leading the opening plenary session. The event brought together more than 10,000 professionals from around the world to network and explore how to advance the adoption of the circular economy through inspirational plenary and breakout sessions. Other team members led sessions covering a range of topics including circular food systems, data-driven insights and the circular economy, circular design, and financing circularity.

STRATEGIC REPORT: LOOKING AHEAD

As the world faces unprecedented challenges, the Charity and its partners are more committed than ever to accelerating the transition to a circular economy, creating solutions for plastics, fashion, food, finance, and beyond which combine economic opportunity with benefits to wider society and the environment. The circular economy holds a significant number of economically attractive answers. For example, the circular principles of product repairability, reusability, and remanufacturing offer resilience in supply chains. As the global economic ramifications of the pandemic are detailed, the ways in which a circular model can address both global recovery and pressing challenges such as climate change, biodiversity loss, and pollution, will be widely understood and implementation plans more defined.

The Charity has reviewed and refined its clear and impactful targets for 2025 and during the year will work towards these across all five areas of Business, Systemic Initiatives, Institutions Governments & Cities, Learning, and Communications, supported by its Insight & Analysis team.

Its fourth Systemic Initiative will fully launch in 2021 following the Charity's publication of research report **Financing the Circular Economy - Capturing the Opportunity** in September 2020. This research highlights rapid growth in circular economy financing and investment. It lays out the opportunities for investing, banking, and insurance and calls on the financial sector to seize the full potential by scaling the circular economy in collaboration with governments and corporates.

The Charity will engage with companies that generate outstanding Circulytics scores to create inspirational case studies and assist those that aspire to more circularity. Its Circulytics 2.0 measurement tool offers greater scope for industry benchmarking, enabling businesses to compare their performance to others in their sector, as well as new indicators for water flows and translations in Chinese, Spanish, and Portuguese.

Progress is being made on plastic packaging with companies looking to eliminate problematic plastic and pledging to increase the use of recycled plastic by more than fivefold for 2025. Global Commitment signatories have committed to 100% of their plastic packaging being reusable, recyclable or compostable. However, it is not possible to recycle out of the plastic pollution crisis. The Charity will continue its efforts to encourage organisations and designers to move upstream and design out waste rather than simply managing it better. It will call on businesses to take bold action on packaging types that are not recyclable today, either via developing and executing a credible roadmap to make recycling work, or decisively innovating away from them and setting ambitious reduction targets. By working with its partners it will inspire and disseminate global scale solutions to eliminate plastic waste and pollution, building on the vision for a circular economy for plastics.

In 2021, the Charity will refresh how it interacts with its Network with the introduction of a Community Platform. This will create a more continuous experience throughout the year (as opposed to working on an event-by-event basis), and help the Charity scale its impact by working beyond Network organisation contacts and those able to attend events. The platform will be introduced at the Network Workshop in March 2021 and the Charity will be working throughout 2021 to integrate its programme content and leverage the power of this tool.

COVID-19

The Charity has responded well and risks posed by the COVID-19 pandemic have been effectively mitigated. Funding remains robust, staff have been supported by numerous formal and informal initiatives and support systems (including online group extracurricular activities, online gym, counselling, flexible working arrangements, home-office facilities/set-up) and collectively have continued working at normal capacity. Events and relationship management have successfully moved online and office health and safety processes have not materially impacted efficiency or culture.

FUNDING MODEL

The Charity's funding continues to come from two main sectors: corporate partnership/membership, and philanthropy. No funding is generated from the general public. The Trustees monitor the activities of the Ellen MacArthur Foundation and Ellen MacArthur Foundation Trading Limited in relation to fundraising.

The Charity receives both unrestricted (core) and project funding from the philanthropic community. During the year, core funding was received from the Eric & Wendy Schmidt Fund for Strategic Innovation, MAVA Fondation pour la Nature, SUN (Foundation for Environmental Economics and Sustainability), and People's Postcode Lottery. Thirteen funders including the Schmidt Family Foundation, the Eric & Wendy Schmidt Fund for Strategic Innovation, MAVA Fondation pour la Nature, Global Environment Facility, People's Postcode Lottery, the OAK Foundation, the C&A Foundation, the Walmart Foundation, Calouste Gulbenkian Foundation, SITRA, Stiftung Auxilium, Stichting Doen, and IKEA Foundation supported projects and initiatives. The Charity continues to seek opportunities to increase its core and project funding from trusts and grant awarding bodies.

FINANCIAL REVIEW AND RESERVES POLICY

The statement of financial activities for the year ended 31 August 2020 is set out on page 20 of this report.

Income

Total incoming resources for the year were £12,510,000, a decrease of £6,583,000 (34%) on the previous financial year (2019 restated: £19,093,000). The income received was predominantly from donations, which at £8,281,000 accounted for 66% of income received in the year (2019 restated: £15,604,000 - 81.7%).

The decrease in income reported for the year is partly attributable to funding being achieved by the Charity in support of its Systemic Initiatives and international outreach in China, and partly due to a change in policy on the recognition of income from Global Partners and Core Partners of the Systemic Initiatives. Previously, income from Global Partners and Core Partners of the Systemic Initiatives was recognised over the three-year period of the funding agreements with a third of the income attributed to each year in line with the anniversary of the date of the agreement. The Trustees believe that entitlement to the full donation is provided by the agreement and the income is now fully recognised on inception of the agreement with a corresponding debtor included within accrued income. More information can be found in note 16 to the accounts.

Expenditure

Total expenditure for the year increased by £1,810,000 to £11,574,000 (2019 restated: £9,764,000). This increase is largely due to the timing of projects where income is received before project expenditure is committed, particularly within the Systemic Initiatives and the growth of the Charity over the year.

Investments

The objective of the Charity's investment policy is to preserve and, if possible, enhance the real value of its assets by keeping an appropriate balance between maximising long-term returns while avoiding undue risk and volatility in capital values. Given the nature of the work carried out and the need to access funds at short notice the Charity invests in interest bearing cash deposits with its bank. These readily realisable investments are reported within the total Cash and Cash Equivalents on the Balance Sheet. Investment gains were £18,000 (2019: £25,000) with an overall return of 0.1%. The current investment approach is being reviewed in order to maximise the current return seen and to look at other investment options which would fit with the ethos of the Charity.

Reserves Policy

As of 31 August 2020, the Charity had consolidated net assets of £17,769,000 (2019 restated: £16,833,000), primarily representing cash at bank of £15,072,000 (2019: £11,482,000). The amount of cash at bank has increased in the period due to the timing of income receipt and its recognition in previous years following the change in income recognition policy explained above, together with increased profits in the trading subsidiary.

Of the net assets, £8,598,000 (2019 restated: £10,074,000) are restricted income funds which are held for the completion of projects undertaken by the Charity. The Trustees ensure the overall health of the Charity by requiring its free reserves (the sums retained to withstand any short-term financial risk) to be closely monitored. The reserves policy is considered annually by the Trustees. On 31 August 2020 the Charity's free reserves stood at £4.61 million (2019: £3.76 million), and the increase reflects the timing of core projects and activities undertaken. At approximately 7.5 months of charitable operating expenditure, this is within the Charity's policy to maintain 6-9 months of operating costs in reserve. The Charity continues to operate in an uncertain economic environment where the timing of the funding for new and substantial projects are both uncertain and irregular. The Charity remains vigilant to ensure funding is in place to undertake future projects and operations. The Charity remains a dynamic organisation, which has seen rapid growth of, and interest in, its activities, and such a level of reserves is considered sufficient to unwind the ongoing commitments to projects and the financial obligations from contracts in place.

Subsidiaries

The profit distributed to the Charity during the year from the trading subsidiary was £2,013,000 (2019: £899,000). Profits from the trading subsidiary are detailed in note 7 to the accounts. The increase achieved is attributable to cost efficiencies in running online rather than in-person workshops and events due to the COVID-19 pandemic. The results for the two sister charities are shown as designated funds and can be seen in note 7 to the accounts.

Going Concern

The Trustees have reviewed the financial position and financial forecasts, taking into account the systems of financial control and risk management. As a result of this review, the Trustees believe that the Charity is well placed to manage operational and financial risks successfully. Accordingly, the Trustees have a reasonable expectation that the Charity and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to support the going concern basis of accounting in preparing the annual accounts.

RISK MANAGEMENT

The nature and range of the Charity's operations presents numerous and varied risks, including those relating to:

- People (including retention and recruitment);
- Finance (including reliability of income and management of capital);
- Legal and regulatory risk and compliance (including in relation to personal data, health and safety, charity law, and disputes, both in the UK and across the charity's international operations);
- Reputation (including protection of brand and IP against third party challenge);
- Structure and operations (including in relation to counterparty diligence, IT and cyber security, culture, and performance);
- Strategy (including clarity and relevance of mission).

The Trustees monitor and manage risks by way of a risk register, detailing relevant risks, which is compiled internally (and kept up to date as risks change) under the leadership of the CEO and COO, and a risk summary, which is drawn from the risk register. This identifies the most significant risks (from time to time), to ensure those risks are recognised and receive appropriate Trustee focus. The risk register and risk summary — which include risk mitigations and internal responsibilities — are presented to the Trustees annually by the CEO and COO.

Risks are managed on a day-to-day basis by the Executive Leadership Team and Leadership Team, whose members have individual and/or collective delegated responsibilities for given matters.

The key current risks being carefully and actively managed, but not perceived to carry high significance are:

1. Threats to reputation, through misuse of brand, mis-understanding of or challenges to mission and concept;
2. Threats to income and capital, arising through the funding model; and
3. Threats to operations, including through challenges induced by the COVID-19 pandemic and BREXIT.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for their annual report and the preparation of financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. In the preparation of those financial statements, the Trustees are required to:

- Select suitable accounting policies and ensure they are applied consistently;
- Make judgments and estimates that are reasonable and prudent;
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006 and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They also have responsibility for ensuring that the Charity has appropriate systems and controls (financial and otherwise) and that reasonable steps are taken for safeguarding the assets of the Charity and for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

In approving the Trustees Annual Report, we also approve the Strategic Report included therein, in our capacity as Company directors.

Approved and Signed on behalf of the Board of Trustees:

Dame Ellen MacArthur 

Dated 20 · 5 · 21

AUDIT REPORT
Independent Auditors' Report to the trustees and members of Ellen MacArthur Foundation

Opinion

We have audited the financial statements of Ellen MacArthur Foundation for the year ended 31 August 2020 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), and the Charities SORP 2015.

In our opinion the accounts:
- give a true and fair view of the state of the group charitable company's affairs as at 31 August 2020 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011, and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 accounts' 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 accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our audit:
- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

AUDIT REPORT (continued...)

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 Trustees' Report, including the incorporated strategic report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 accounts 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.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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 and with Chapter 3 of Part 8 of the Charities Act 2011, and regulations made under section 154 of that Act, and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

NEIL FINLAYSON (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF MOORE KINGSTON SMITH LLP, STATUTORY AUDITOR

Devonshire House
60 Goswell Road
London
EC1M 7AD

Dated: 24 May 2021

Moore Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 As restated £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	3,653	4,628	8,281	15,604
Charitable activities	4	17	-	17	10
Income from other trading activities					
Other trading operations	7	4,194	-	4,194	3,454
Investments	5	18	-	18	25
TOTAL INCOME		7,882	4,628	12,510	19,093
EXPENDITURE ON:					
Fund raising costs	8	353	-	353	143
Commercial trading operations	7	2,181	-	2,181	2,555
Charitable activities	8	2,716	6,104	8,820	6,996
Other	8	220	-	220	70
TOTAL EXPENDITURE		5.470	6,104	11,574	9,764
NET INCOME/(EXPENDITURE)		2,412	(1,476)	936	9,329
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		2,412	(1,476)	936	9,329
RECONCILIATION OF FUNDS Fund balances as at 1 September 2019		6,759	10,074	16,833	7,504
Fund balances as at 31 August 2020		9,171	8,598	17,769	16,833

The Statement of Financial Activities includes all gains and losses in the period.

All incoming resources and resources expended derive from continuing activities.

A full comparative statement of financial activities is shown in note 2.

CONSOLIDATED AND CHARITY BALANCE SHEET
At 31 August 2020

	Notes	Group 2020 £'000	Group 2019 As restated £'000	Charity 2020 £'000	Charity 2019 As restated £'000
FIXED ASSETS					
Tangible fixed assets	11	644	341	384	164
Fixed asset investment	12	-	-	-	-
		644	341	384	164
CURRENT ASSETS					
Debtors	13	5,458	7,735	4,381	6,504
Cash at bank and in hand		15,072	11,482	11,963	9,971
		20,530	19,217	16,344	16,475
CREDITORS					
Amounts falling due within one year	14	(3,405)	(2,725)	(1,470)	(1,098)
NET CURRENT ASSETS		17,125	16,492	14,874	15,377
TOTAL NET ASSETS		17,769	16,833	15,258	15,541
FUNDS					
Unrestricted funds	16	9,171	6,759	6,660	5,467
Restricted funds	15	8,598	10,074	8,598	10,074
		17,769	16,833	15,258	15,541

The financial statements on pages 17 to 37 were approved by the Board of Trustees and signed on its behalf by:

Mr Peter Morgan

Dated: 20-5-21

Company Registration Number: 06897785

The notes on pages 20 to 37 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
Year ended 31 August 2020

	Notes	Group 2020	Group 2019 As restated
		£'000	£'000
CASH FLOW FROM OPERATING ACTIVITIES	(Below)	3,990	5,673
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(418)	(65)
Interest received		18	25
NET CASH FLOW FROM INVESTING ACTIVITIES		(400)	(40)
Net increase in cash and cash equivalents		3,590	5,633
Cash equivalents at 1 September 2019		11,482	5,849
CASH EQUIVALENTS AT 31 AUGUST 2020		15,072	11,482
Cash and cash equivalents consists of:			
Cash at bank and in hand		15,072	11,482
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2020		15,072	11,482

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:

	2020 £'000	2019 £'000
Surplus / (deficit) for the year	936	9,329
Depreciation	114	67
Loss on disposal of fixed assets	1	-
Interest received	(18)	(25)
Movement in deferred income	675	313
Movement in creditors	5	253
Movement in debtors	2,277	(4,264)
Net cash flow from operating activities	3,990	5,673

ANALYSIS OF CHANGES IN NET DEBT

	As at 1 September 2019	Cash-flows	As at 31 August 2020
	£	£	£
Cash	11,482	3,590	15,072
Bank charge cards repayable on demand	(18)	14	(4)
	11,464	3,604	15,068

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General information and basis of preparation
The Ellen MacArthur Foundation is a charitable company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as an Educational and Research Charity with the aim to inspire a generation to re-think, redesign and build a restorative circular economy.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group accounts
Ellen MacArthur Foundation Inc and and Ellen MacArthur Foundation Brazil are considered to be subsidiaries, within the requirements outlined in SORP FRS102 section 24.16, because Ellen MacArthur Foundation UK ("EMF UK") has the power to govern financial and operating policies as set out in specific clauses included within each of the charities constitution documents and, in the event of dissolution, remaining assets will be transferred to EMF UK. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of EMF UK, EMF Inc and EMF Brazil are identical and the objects of all three organisations are closely matched within each respective memorandum and articles of association thus ensuring that EMF Inc and EMF Brazil contribute to the aims and purposes of EMF UK and benefits common beneficiaries. All financial statements are made up to 31 August. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made on consolidation to bring the accounting policies used into line with those used by other members of the group.

The summary financial statements of EMF Inc and EMF Brazil are shown in Notes 6 and 7.

Fund accounting
- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. The funds held with sister charities are included as designated funds.
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition (including prior year adjustment)
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where donations relate to a work programme based on academic years, then receipt in advance is deferred to the appropriate year. This represents a change in the application of the policy which had previously recognised grants on the basis of the agreed timing of grant receipts on stages of the projects, rather than the agreed work budget (see note 16);
- For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled. This represented a change in policy which previously recognised Global Partner donations across the duration of their involvement, and now reflects entitlement in accordance with the Global partner funding agreements (see note 16).

NOTES TO THE FINANCIAL STATEMENTS (continued...)

Income recognition (continued)

- Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example: the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure;
- Value in Kind commitments on projects is often used as a method to obtain engagement with funding partners on projects, although these are not within the Charity's control, and cannot be verified, and as a result a fair value estimate cannot be determined to be included in the accounts.
- No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report;
- Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Investment income is earned through holding assets for investment purposes such as funds on deposit, shares and property. It includes interest. It is included when the amount can be measured reliably.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Accrued income
The amounts receivable on future dates under signed funding agreements are included in accrued income.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes activities to seek out and agree terms with major donors, together with the costs of the trading subsidiary;
- Expenditure on charitable activities includes project costs on the charity's various projects as identified in the notes to these accounts; and
- Other expenditure represents those items not falling into the categories above including governance costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Creditors
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Pension
The charity has a defined contribution pension scheme for all eligible employees. The assets of the scheme are held separately to the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable for the year.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

Financial assets and liabilities
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial assets (which include debtors and bank and cash balances) and basic financial instruments (which includes creditors) are initially measured at transaction price including transaction costs, and are subsequently carried at amortised cost. Financial assets classified as receivable within one year or financial liabilities classified as payable within one year are not amortised.

Fixed Assets and Depreciation
Assets costing more than £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment	25% and 33%	Straight line
Furniture and equipment	20% and 25%	Reducing balance
Improvements to leasehold property	10% to 33%	Straight line, over the duration of the lease

Taxation
No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

Foreign Currency Transactions
Transactions in foreign currencies are translated into Sterling at the average rate prevailing for the month in which they occur. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date.

The results of the US and Brazil sister charities are translated at average rate (income and expenses) and closing rate for the purposes of Consolidation.

Judgements and key sources of estimation uncertainty
In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern
Subsequent to the year-end, as a result of the impact of the coronavirus and the measures taken by governments both in the UK and overseas, the group has transitioned successfully into remote working with little disruption to the activities of the group. This is discussed in more detail in the Trustees Report on pages 12 and 13. The forecasts and budgets have been adjusted accordingly, and the group is confident that it can meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds As restated £'000	Restricted Funds As restated £'000	Total 2019 As restated £'000	Total 2018 As restated £'000
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	4,477	11,127	15,604	7,356
Charitable activities	3	7	10	11
Other trading operations	3,454	-	3,454	3,069
Investments	25	-	25	17
TOTAL INCOME	7,959	11,134	19,093	10,453
EXPENDITURE ON:				
Fund raising costs	143	-	143	393
Commercial trading operations	2,555	-	2,555	2,714
Charitable activities	2,109	4,887	6,996	7,413
Other	70	-	70	57
TOTAL EXPENDITURE	4,877	4,887	9,764	10,577
NET INCOME/(EXPENDITURE)	3,082	6,247	9,329	(124)
Transfers between funds	(237)	237	-	-
NET SURPLUS FOR THE PERIOD	2,845	6,484	9,329	(124)
RECONCILIATION OF FUNDS				
Fund balances as at 1 September 2018	3,914	3,590	7,504	7,628
Fund balances as at 31 August 2019	6,759	10,074	16,833	7,504

NOTES TO THE FINANCIAL STATEMENTS (continued...)

3. DONATIONS, LEGACIES AND GRANT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 As restated £'000
Learning:				
The Schmidt-MacArthur HE Programme	-	276	276	607
Business:				
Global Partner Donations	1,350	-	1,350	2,250
Core Philanthropic Funding	1,872	-	1,872	1,669
Institutions, Governments and Cities:				
Specific Research Projects	-	434	434	221
International Outreach	431	1,433	1,864	2,443
Systemic Initiatives:				
New Plastics Economy Initiative	-	349	349	5,832
Make Fashion Circular	-	1,248	1,248	1,267
Cities and Circular Economy for Food	-	888	888	1,315
Total grants and donations	3,653	4,628	8,281	15,604

For details of the grant income and restricted funds, please refer to note 15. As part of funding agreements, for many projects, the Foundation seeks value in kind commitments to research projects, which although pledged, cannot be verified and are therefore not included within these statements.

Comparative Donations, Legacies and grant income

	Unrestricted Funds As restated £'000	Restricted Funds As restated £'000	Total 2019 As restated £'000	Total 2018 As restated £'000
Learning:				
The Schmidt-MacArthur HE Programme	-	607	607	390
The Schmidt-MacArthur Foundation	-	-	-	-
Business:				
Global Partner Donations	2,250	-	2,250	450
Core Philanthropic Funding	1,669	-	1,669	1,585
Institutions, Governments and Cities:				
Specific Research Projects	-	221	221	409
International Outreach	558	1,885	2,443	1,581
Systemic Initiatives:				
New Plastics Economy Initiative	-	5,832	5,832	942
Make Fashion Circular	-	1,267	1,267	1,469
Cities and Circular Economy for Food	-	1,315	1,315	530
Total grants and donations	4,477	11,127	15,604	7,356

NOTES TO THE FINANCIAL STATEMENTS (continued...)

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Rental income	12	-	12	2
Rechargeable items	5	-	5	8
Total other incoming resources	17	-	17	10

Comparative Income from Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Rental income	2	-	2	2
Rechargeable items		8	8	8
Total other incoming resources	2	8	10	10

5. INTEREST AND INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Bank interest – monies held in interest bearing deposit accounts	18	-	18	25

Comparative Interest and Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Bank interest – monies held in interest bearing deposit accounts	25	-	25	17

NOTES TO THE FINANCIAL STATEMENTS (continued...)

6. FINANCIAL PERFORMANCE OF THE CHARITY

The Consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary Ellen MacArthur Foundation Trading Limited and the results of Ellen MacArthur Foundation Inc., which operate events and services for the Charity and clients. The summary financial performance of the Charity alone is:

	2020 £'000	2019 As restated £'000
Income from donations and legacies	7,850	15,046
Rechargeable items	5	8
Rental Income	12	2
Gift aid donation from subsidiary company	899	354
Investment income	18	25
	8,784	15,435
Expenditure on charitable activities	(8,715)	(6,599)
Cost of generating funds	(352)	(143)
	(9,067)	(6,742)
Net income for the year	(283)	8,693
Total funds brought forward	15,541	6,848
Total funds carried forward	15,258	15,541
Represented by:		
Restricted funds	8,598	10,074
Unrestricted funds	6,660	5,467
	15,258	15,541

7. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

Income from Trading Subsidiary:

The wholly owned trading subsidiary Ellen MacArthur Foundation Trading Limited is incorporated in England and Wales and pays all of its profits to the Charity by distribution. The company operates events, runs the Circular Economy 100 programme for businesses, publishes books, and undertakes commercial trading operations. The Charity owns the £1 ordinary share of the company.

The summary financial performance of the subsidiary above is:

	2020 £'000	2019 £'000
Turnover	4,193	3,448
Cost of sales and admin costs	(2,180)	(2,549)
Net Profit	2,013	899
Retained in the subsidiary	2,013	899
The assets and liabilities of the subsidiary were:		
Fixed assets	257	175
Current assets	3,903	2,406
Current liabilities	(2,147)	(1,682)
Net assets	2,013	899

NOTES TO THE FINANCIAL STATEMENTS (continued...)

7. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS (continued...)

Subsequent to the balance sheet date a distribution of £2,013,000 was made to the Charity.

These Group accounts also include the results of the US sister charitable company Ellen MacArthur Foundation Inc., which for the year generated a surplus of £84,000 (2019: £91,000) and had reserves carried forward of £477,000 (2019: £393,000).

The Foundation also has a sister charity in Brazil, Ellen MacArthur Foundation Brasil, which for the year generated a surplus of £21,000 (2019 - £1,000 surplus), and has reserves carried forward of £21,000 (2019 - £0).

8. EXPENDITURE BY ACTIVITY

	Charitable	Support	Other (Governance)	Fundraising	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Learning:						
The Schmidt-MacArthur HE Programme	500	50	-	-	550	511
Schmidt-MacArthur Foundation	-	-	-	-	-	-
Education Projects	458	88	-	-	546	541
Business:						
Global Partners and Funding	-	68	-	353	421	157
Grant payment	-	-	-	-	-	2
Institutions, Governments and Cities:						
Specific Research Projects	538	74	-	-	612	870
International Outreach	2,138	158	-	-	2,296	1,626
Systemic Initiatives:						
New Plastics Economy Initiative	1,677	167	-	-	1,844	1,125
Make Fashion Circular	960	96	-	-	1,056	882
Cities and Circular Economy For Food	515	58	-	-	573	766
Finance	112	22	-	-	134	37
Insight & Communications	920	178	-	-	1,098	615
Governance						
Audit and accountancy	-	-	109	-	109	27
Legal and professional	-	-	111	-	111	43
Support allocation	-	43	-	-	43	7
	7,818	1,002	220	353	9,393	7,209

NOTES TO THE FINANCIAL STATEMENTS (continued...)

8. EXPENDITURE BY ACTIVITY (continued...)

The grant payable within the prior year was in respect of work carried out by a third party research partner.

Support costs are made up as follows:

	2020 £'000	2019 £'000
Communications and IT	169	103
Design, print and office costs	14	2
Rent, and property costs	124	93
Insurances	24	23
Depreciation	56	28
Professional services and consultancy	114	21
Currency translation and finance costs	12	17
Staff costs	390	198
Travel training and recruitment	99	82
	1,002	567

Support costs are allocated to direct projects, firstly on the basis of any agreed project contribution to support costs, and then on the basis of the total resources incurred in each area.

Comparative Expenditure by Activity

	Charitable £'000	Support £'000	Other (Governance) £'000	Fundraising £'000	Total 2019 £'000	Total 2018 £'000
Learning:						
The Schmidt-MacArthur HE Programme	464	47	-	-	511	215
Schmidt-MacArthur Foundation	-	-	-	-	-	147
Education Projects	491	50	-	-	541	577
Business:						
Global Partners and Funding	-	14	-	143	157	393
Grant payment	2	-	-	-	2	295
Institutions, Governments and Cities:						
Specific Research Projects	726	144	-	-	870	237
International Outreach	1,522	104	-	-	1,626	1,567
Systemic Initiatives:						
New Plastics Economy Initiative	1,107	18	-	-	1,125	2,852
Make Fashion Circular	802	80	-	-	882	866
Cities and Circular Economy For Food	723	43	-	-	766	186
Finance	34	3	-	-	37	-
Insight & Communications	558	57	-	-	615	472
Governance						
Audit and accountancy	-	-	26,863	-	27	39
Legal and professional	-	-	43,168	-	43	18
Support allocation	-	7	-	-	7	(1)
	6,429	567	70	143	7,209	7,863

NOTES TO THE FINANCIAL STATEMENTS (continued...)

9. RESOURCES EXPENDED

Included in administrative expenses are the following amounts:	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Audit fee – Moore Kingston Smith	61	18	50	12
Non-audit services	66	16	56	7
Payroll services	4	6	4	6
Taxation services	-	1	-	-
Depreciation of owned fixed assets	114	67	56	28

10. STAFF COSTS

	2020 £'000	2019 £'000
Staff costs in the Charitable Company and Trading Company were		
Wages and salaries	5,977	4,769
Social Security costs	527	440
Pension costs	127	111
Other Employee Benefits	10	11
	6,641	5,331

The Charity and Trading Company have auto-enrolled to meet the requirements of employer pensions. The Charity and Company operates a defined contribution scheme, the assets of which are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund. Amounts owing at the year-end amounted to £39,000 (2019: £30,000) and are included in other creditors.

	2020	2019
The average weekly number of employees during the period was as follows:	129	105

Twelve employees (2019 – eleven) received remuneration in excess of £60,000, and they fell in the bands as follows:

	2020	2019
£60,000 to £70,000	7	4
£70,000 to £80,000	3	1
£80,000 to £90,000	4	3
£90,000 to £100,000	2	1
£120,000 to £130,000	-	1
£150,000 to £160,000	-	-
£170,000 to £180,000	1	1

Payments to Trustees and expenses reimbursed can be seen in note 19 to these accounts.

The payment of gross remuneration to Senior Management Personnel during the year was £935,000 (2019 - £686,000).

NOTES TO THE FINANCIAL STATEMENTS (continued...)

11. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Improvements to Leasehold Property £'000	Plant and Equipment £'000	Total £'000
Consolidated:			
Cost at 1 September 2019	482	243	725
Additions	359	58	417
At 31 August 2020	841	301	1,142
Depreciation at 1 September 2019	208	176	384
Charge for the year	79	35	114
At 31 August 2020	287	221	498
Net Book Value at 31 August 2020	554	90	644
Net Book Value at 31 August 2019	274	67	341

	Improvements to Leasehold Property £'000	Plant and Equipment £'000	Total £'000
Charity:			
Cost at 1 September 2019	306	119	425
Additions	272	4	276
At 31 August 2020	578	123	701
Depreciation at 1 September 2019	149	112	261
Charge for the year	53	3	56
At 31 August 2020	202	115	317
Net Book Value at 31 August 2020	376	8	384
Net Book Value at 31 August 2019	157	7	164

12. FIXED ASSET INVESTMENTS

Shares in group undertakings and participating interests

Ellen MacArthur Foundation Trading Limited
The charitable company holds 100% of the share capital of the Ellen MacArthur Foundation Trading Limited. This Company is registered in England and Wales (company number 07110767), and provides consultancy services based on the circular economy, organises the CE100 programme and books and publications. The cost of shares as investment in the charity as at 1 September 2019 and 31 August 2020 was £1, and the net book value as at 31 August 2019 and 31 August 2020 was also £1.

EMF Trading USA, Inc.
The charitable company holds 100% of the share capital of the EMF Trading USA, Inc. This Company is registered in the State of Deleware, USA, and has been dormant since incorporation on 18 May 2020. The cost of

NOTES TO THE FINANCIAL STATEMENTS (continued...)

shares as investment in the charity as at 1 September 2019 was £nil and 31 August 2020 was £0.82, and the net book value as at 31 August 2019 and 31 August 2020 was also £1.

13. DEBTORS

	Group		Charity	
	2020	2019 As restated	2020	2019 As restated
	£'000	£'000	£'000	£'000
Trade debtors	1,580	1,652	521	867
Other debtors	668	93	573	5
Accrued income	2,914	5,578	2,834	5,465
Prepayments	296	412	189	87
Amounts due from Trading Subsidiary Ellen MacArthur Foundation Trading Limited	-	-	264	78
	5,458	7,735	4,381	6,504

Included in the above figures, for both the Group and Charity, are £450,000 (2019 - £1,895,000 as restated) of debtors that are due after more than 1 year.

14. CREDITORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade creditors – project costs	271	573	164	237
Accruals	57	41	42	30
Other creditors	156	66	45	46
Taxation and Social Security	200	(1)	148	(1)
Deferred income (2019/20 income received in advance)	2,721	2,046	1,071	786
	3,405	2,725	1,470	1,098

Deferred income arises on donations received in advance of the various work programmes relating to the 2020/21 financial year which commenced on 1 September 2020. All of the income deferred at 31 August 2019 was taken to the income and expenditure account in the 2020 accounts.

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Deferred income represented:				
At 1 September 2019	2,046	1,733	786	504
Amounts released to income in the year	(2,046)	(1,733)	(786)	(504)
Consultancy fees in advance	681	452	-	-
Schmidt HE	1071	786	1,071	786
Fibres	265	265	-	-
NPEC	375	225	-	-
Circular Economy 100 fees received	329	318	-	-
At 31 August 2020	2,721	2,046	1,071	786

NOTES TO THE FINANCIAL STATEMENTS (continued...)

15. RESTRICTED FUNDS

	At 1 September 2019 As restated	Income received	Fund Expenditure	Transferred from un-restricted fund	At 31 August 2020
	£'000	£'000	£'000	£'000	£'000
Learning:					
Schmidt-MacArthur Higher Education Programme (1)	271	276	(550)	-	(3)
Institutions, Governments and Cities:					
MAVA G&C, CE100 and Circular Materials (6), (8)	207	434	(345)	-	296
China (9)	1,934	1,433	(1,736)	-	1,631
Systemic Initiatives:					
New Plastics Economy Initiative (10)	5,682	349	(1,844)	-	4,187
Make Fashion Circular (11)	1,088	1,248	(1,056)	-	1,280
Cities and Circular Economy For Food (12)	892	888	(573)	-	1,207
Total	10,074	4,628	(6,104)	-	8,598

NOTES TO THE FINANCIAL STATEMENTS (continued...)

15. RESTRICTED FUNDS (continued...)

Comparative information for Restricted Funds

	At 1 September 2018 As restated £'000	Income received As restated £'000	Fund Expenditure £'000	Transferred from un-restricted fund £'000	At 31 August 2019 As restated £'000
Learning:					
Schmidt-MacArthur Higher Education Programme (1)	175	607	(511)	-	271
Institutions, Governments and Cities:					
ResCoM Funded Project (2)	12	(15)	-	3	-
Policy Makers Toolkit (MAVA) (3)	20	-	(20)	-	-
Growth Within (Sun Foundation) (4)	34	-	(34)	-	-
Eric & Wendy Schmidt Fund (5)	38	-	(38)	-	-
MAVA G&C, CE100 and Circular Materials (6), (8)	270	456	(519)	-	207
H&M (7)	221	(219)	-	(2)	-
China (9)	982	1,885	(933)	-	1,934
Systemic Initiatives:					
New Plastics Economy Initiative (10)	802	5,838	(1,194)	236	5,682
Make Fashion Circular (11)	692	1,268	(872)	-	1,088
Cities and Circular Economy For Food (12)	344	1,314	(766)	-	982
Total	3,590	11,134	(4,887)	237	10,074

All restricted funds are held within Ellen MacArthur Foundation. As such the consolidated and charity only restricted funds are one and the same.

NOTES TO THE FINANCIAL STATEMENTS (continued...)

15. RESTRICTED FUNDS (continued...)

(1) The Schmidt-MacArthur Higher Education Programme relates to funding received from the Schmidt Foundation, a US based Trust, and aims to educate more than one million learners globally. It has been financially supported by the Eric and Wendy Schmidt Fund for Strategic Innovation and was launched in 2019.

(2) The ResCoM Funded project was a four year working project, working with global manufacturing businesses to identify opportunities to move towards circular economy models, this has now completed.

(3) Policy Makers Toolkit - in 2015, the MAVA Foundation funded a Foundation-led project to create a toolkit for policymakers inspired by the vision of what a circular economy could look like in a city or region.

(4) Growth Within, in 2015, the SUN Foundation funded a research project to look at a circular economy vision for a competitive Europe, which the Foundation delivered in conjunction with McKinsey & Co.

(5) Eric and Wendy Schmidt Fund for Strategic Innovation – Design for Circular Economy Course. In 2016 funding was received for a web-based toolkit, aimed to build capability amongst designers, who are designing for the circular economy.

(6) MAVA G&C, CE100 and Circular Materials – The Government and Cities project relates to funding to advance the engagement of government and cities with circular economy. The CE100 project relates to funding to drive momentum in the Circular Economy innovation in Cities. The Circular Materials project relates to a project to carry out initial research to advance the understanding of the circular materials landscape.

(7) H&M – A collaborative project between the Ellen MacArthur Foundation, The Stockholm Resilience Centre (SRC) and H&M, working towards creating a vision for a circular textile fibre industry. The Ellen MacArthur Foundation are acting as a commercial intermediary contracting SRC on H&M Foundation's behalf in regard to this collaboration.

(8) The Mava Partnership - the Ellen MacArthur Foundation acts as a Partner Organisation to MAVA, providing technical knowledge and strategic advice to identify opportunities for engagement under Mava's proposed strategy outcomes SE4 'Circular Economy in Europe' and SE5 'Circular Economy for Plastics'.

(9) China (MAVA) – MAVA have funded a project to mobilise the broader momentum and focus on the Circular Economy in China, including the growing alignment between the private and public sector on the role the Circular Economy can play in enabling better forms of economic growth.

(10) The New Plastics Economy Initiative project launched in 2016 to bring together key stakeholders to rethink and redesign the future of plastics, starting with packaging. Phase II launched in 2019 and runs until 2025.

(11) The Make Fashion Circular project is an initiative to help the fashion industry ensure clothes are made from safe and renewable materials and investigate new business models that increase their use and turn old clothes into new. This new textiles economy would benefit business, society, and the environment.

(12) The Cities and Circular Economy for Food initiative aims to fundamentally rethink the role of cities in the food system based on the principles of a circular economy. The initiative will stimulate, inform and mobilise new approaches for restorative and regenerative urban food systems and related bio-cycle economic activity.

16. PRIOR PERIOD ADJUSTMENT

Consolidated funds:	**Unrestricted Funds £'000**	**Restricted Funds £'000**	**Total Funds £'000**
As previously stated 1 September 2018	3,914	3,020	6,934
Pre-comparative prior period adjustment [described below]	-	570	570
As restated	3,914	3,590	7,504
Year ended 31 August 2019			
Net surplus as previously reported	2,845	3,739	6,584
Prior period adjustment [described below]	-	2,745	2,745
At 31 August 2019	6,759	10,074	16,833

Charity funds:	**Unrestricted Funds £'000**	**Restricted Funds £'000**	**Total Funds £'000**
As previously stated 1 September 2018	3,258	3,020	6,278
Pre-comparative prior period adjustment [(1) below]	-	570	570
As restated	3,258	3,590	6,848
Year ended 31 August 2019			
Net surplus as previously reported	2,209	3,739	5,948
Prior period adjustment [(1) below]	-	2,745	2,745
At 31 August 2019	5,467	10,074	15,541

Prior period adjustments:
The prior period adjustments related to a change in policy on the recognition of restricted project income in line with the Charity SORP treatment. Previously the income was recognised over the period of the funding agreements, typically three years, with the income recognised each year in line with the receipt on the anniversary of the date of the agreement. The Charity believes that entitlement is provided by the agreement, and so in accordance with the Charity SORP the income should be recognised on inception of the agreement with the corresponding debtor included within accrued income.

The effect of the prior period adjustment is to record £570,000 income prior to the start of the comparative period, with a corresponding increase to accrued income as at 31 August 2018. In 2019 a net increase of £2,745,000 in income is recognised, with a corresponding increase to accrued income as at 31 August 2019.

17. ANALYSIS OF GROUP NET ASSETS BY FUNDS

Consolidated:

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019 As restated
	£'000	£'000	£'000	£'000
Fixed assets	644	-	644	341
Current assets	4,254	1,204	5,458	7,735
Cash at bank	6,774	8,298	15,072	11,482
Creditors	(2,501)	(904)	(3,405)	(2,725)
	9,171	8,598	17,769	16,833

Charity:

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019 As restated
	£'000	£'000	£'000	£'000
Fixed assets	384	-	384	164
Current assets	3,177	1,204	4,381	6,504
Cash at bank	3,665	8,298	11,963	9,971
Creditors	(566)	(904)	(1,470)	(1,098)
	6,660	8,598	15,258	15,541

Comparative Analysis of Group and Charity Net Assets by type of fund

Consolidated:

	Unrestricted Funds As restated	Restricted Funds As restated	Total 2019 As restated	Total 2018 As restated
	£'000	£'000	£'000	£'000
Fixed assets	341	-	341	343
Current assets	3,393	4,342	7,735	3,471
Cash at bank	4,807	6,675	11,482	5,849
Creditors	(1,782)	(943)	(2,725)	(2,159)
	6,759	10,074	16,833	7,504

Charity:

	Unrestricted Funds As restated	Restricted Funds As restated	Total 2019 As restated	Total 2018 As restated
	£'000	£'000	£'000	£'000
Fixed assets	164	-	164	192
Current assets	2,162	4,342	6,504	3,113
Cash at bank	3,296	6,675	9,971	4,386
Creditors	(155)	(943)	(1,098)	(843)
	5,467	10,074	15,541	6,848

18. FINANCIAL COMMITMENTS - LEASES

At 31 August 2020 the group had the following minimum lease payments under non-cancellable operating leases,
as follows:

	2020 Property £'000	2020 Other £'000	2019 Property £'000	2019 Other £'000
Consolidated:				
Due within 1 year	88	5	58	5
Due between 2-5 years	349	14	315	17
Due after more than 5 years	238	-	262	-
	675	19	635	22
Charity only:				
Due within 1 year	88	-	58	1
Due between 2-5 years	349	-	315	-
Due after more than 5 years	238	-	262	-
	675	-	635	1

19. RELATED PARTIES

During the year the Charity and Trading Company have occupied offices at an agreed rent, owned by EM (IOW) Ltd, a Company 50% owned by Dame Ellen MacArthur. A charge was made by EM (IOW) Limited for £37,000 (2019 - £35,000) in respect of the office rental, and at the year end £NIL (2019 - £Nil) was outstanding, with £NIL (2019 - £ Nil) included in prepayments.

Charges were made by EM (IOW) Ltd to Ellen MacArthur Foundation for £18,000 (2019 - £33,600) in respect of services provided by Dame Ellen MacArthur, who is a Trustee of the Charity and also a director of the trading subsidiary. At the year-end £10,000, (2019 - £ Nil) was outstanding. These services were in respect of Ellen's time as a speaker, and for appearances in helping the Company carry out its activities. The payments were not in respect of Ellen's duties as a Trustee of the Charity, and permission was granted in 2014 by the Charity Commission in respect of these payments.

No remuneration was paid to Trustees for their services as Trustees (2019 – £ Nil). Expenses were reimbursed to one Trustee totalling £297 (2019 – two Trustees £586) in respect of home phone expenses. At the year end, £58 (2019 - £142) was outstanding.

20. CONTROLLING PARTY

The charity is controlled by the Trustees.

21. FINANCIAL INSTRUMENTS

	Group		Charity	
	2020 £'000	2019 As restated £'000	2020 £'000	2019 As restated £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	20,234	18,805	16,155	16,387
Carrying amount of financial liabilities				
Liabilities measured at amortised cost	(683)	(641)	(398)	(285)
	19,550	18,164	15,755	16,102