

The Ellen MacArthur Foundation Annual Impact Report and Consolidated Accounts

September 2022 to August 2023

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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 CO₂e 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 CO₂ 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:



Plastics



Food



Fashion



Built environment



Finance



Policy

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:



**Developing
and promoting
the idea of the
circular economy**

**Engaging and
inspiring key
actors in the
system**

**Mobilising
systems solutions
at scale, globally**



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.

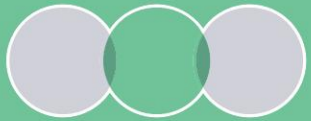
Working with changemakers at the highest levels has enabled us to steer the conversation and embed critical circular principles into the thinking of leading decision makers. For example, by facilitating the [formal knowledge exchange between the EU and China](#), we are cross-pollinating best practice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

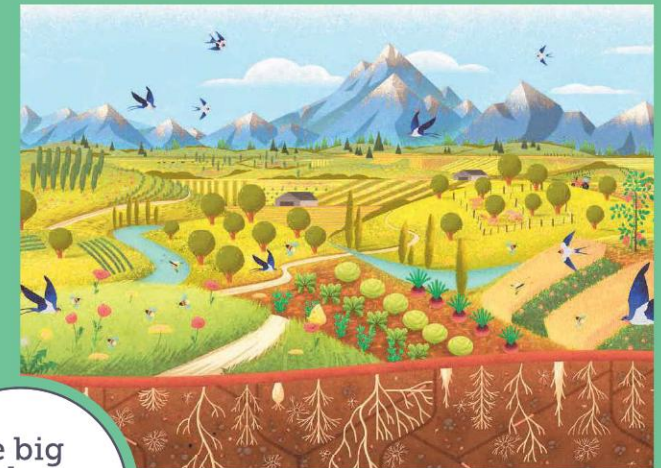
Global problems require global solutions. Our network of stakeholders has expanded and strengthened, in both the public and private sectors. In the past year we gained particular traction with new political audiences. For example, we were invited to support the White House's Office of Science and Technology 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

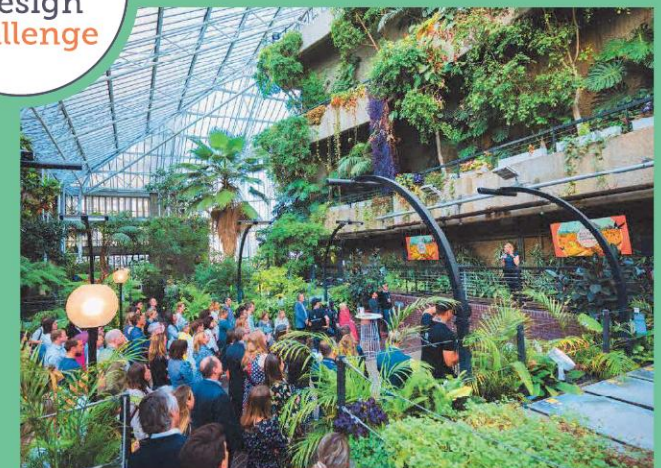
To fix the climate, we need to fix the economy. Awareness of the circular economy as a tool in the fight against climate change is rising: 27% of Nationally Determined Contributions (the climate action plans to cut emissions required by the Paris Agreement) now explicitly mention circular strategies. 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 CO₂ 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.





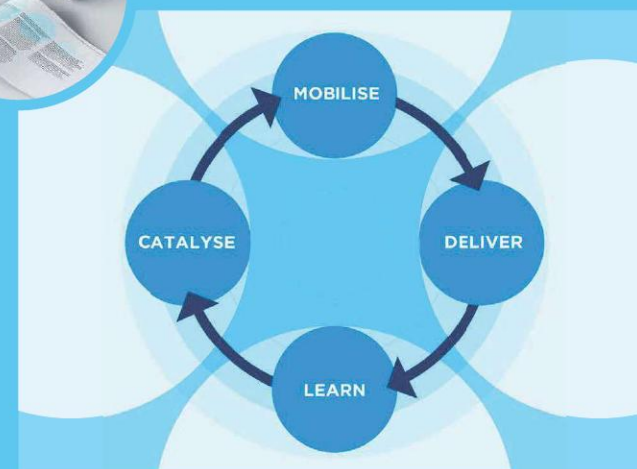
Mobilise action



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

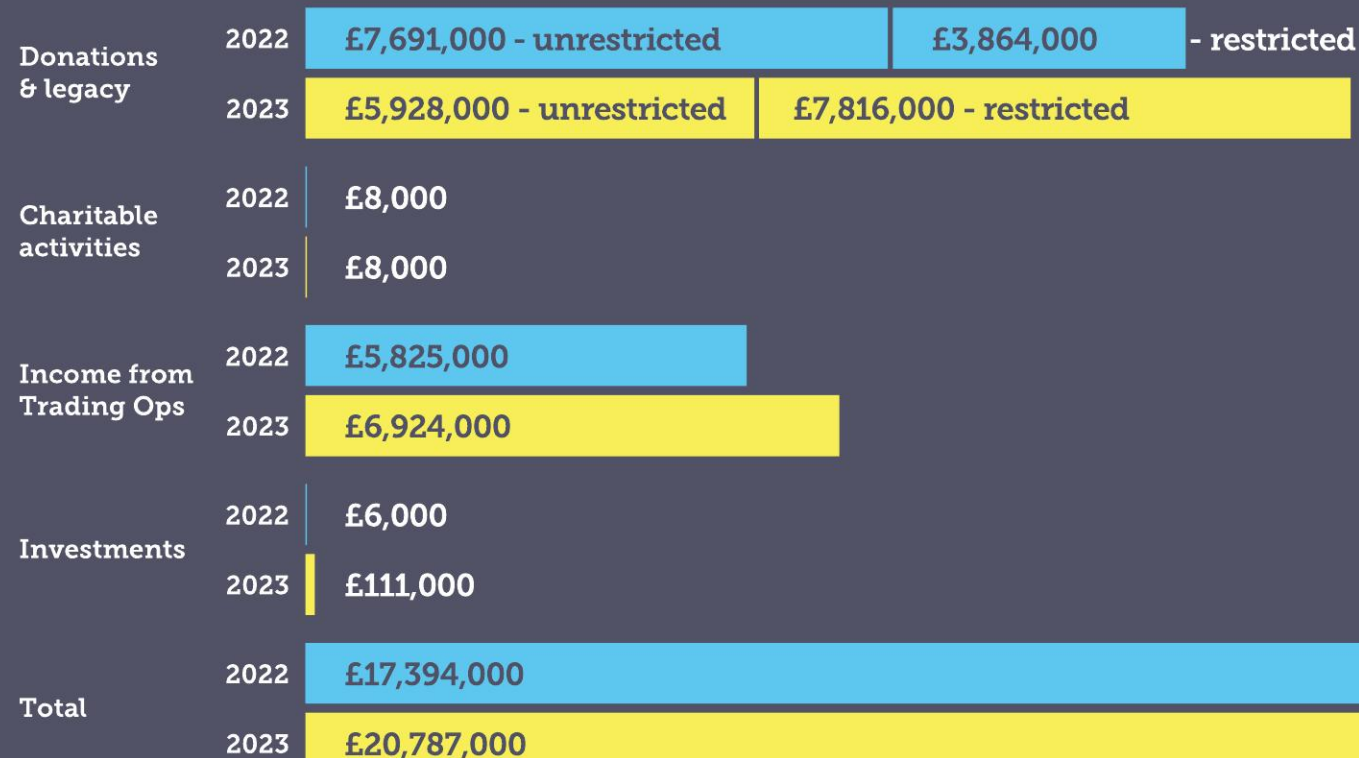
White House Office Of Science And Technology Policy

Financial position

Total income compared to budget'

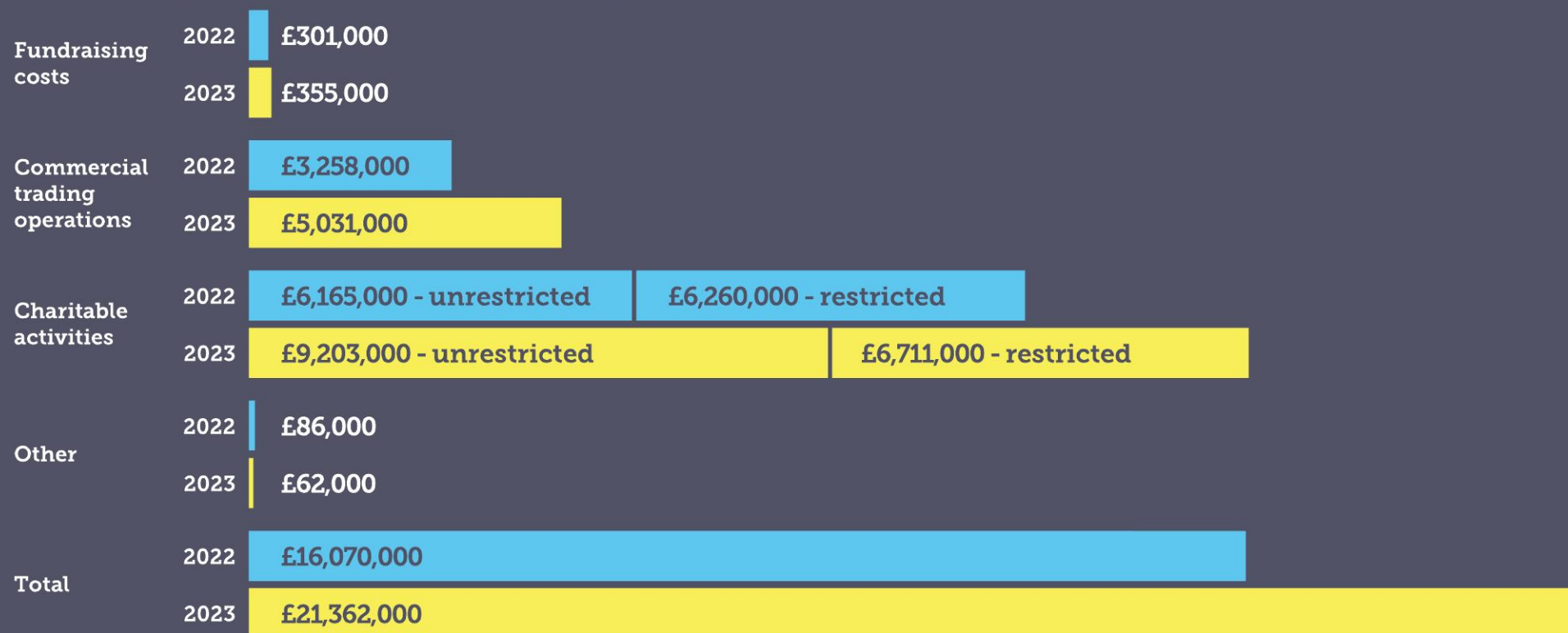


Income by category



Financial position

Overall expenditure (divided by category)



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:

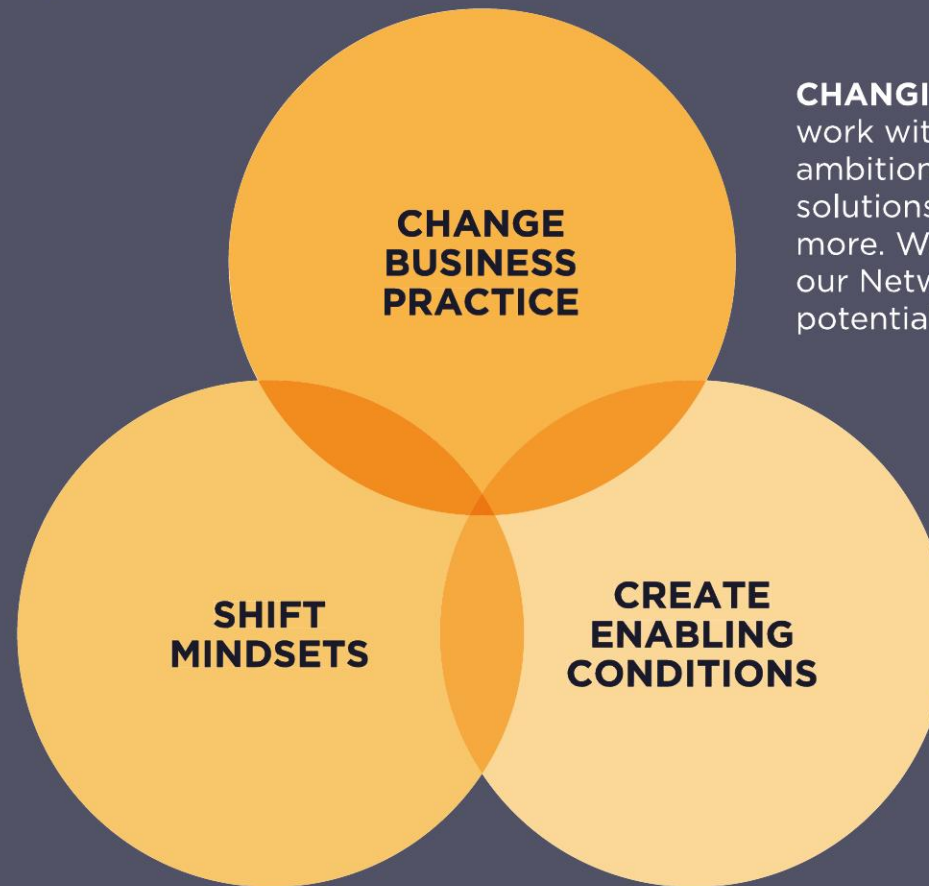
1. Carefully monitoring the economic landscape, increasing financial controls, robust planning, and continued evolution in our approach to philanthropic and corporate funding
2. Doubling down on our communication efforts to accurately convey the circular economy, restating the economic rationale, demonstrating 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:

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.



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.

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.



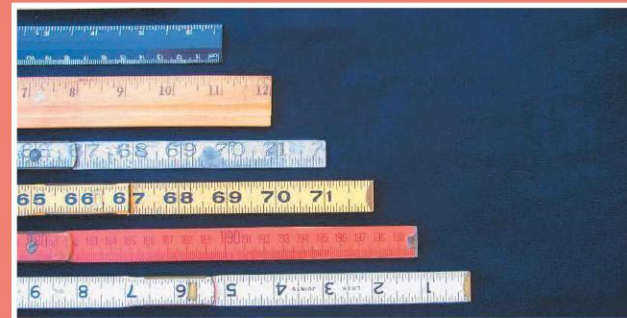
Underline the business case

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.



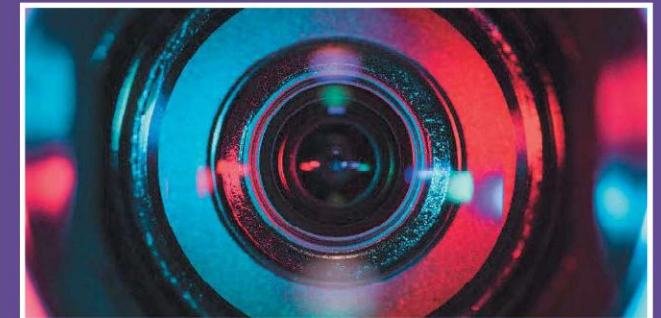
Inform ambitious, binding policy

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.

Subsidiaries:

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

		2023	2022
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:	Notes	£'000	£'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)

	As at 1 September 2022	Cash-flows	As at 31 August 2023
ANALYSIS OF CHANGES IN NET DEBT	£'000	£'000	£'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 (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.

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:	£'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

		2023	2022
Support costs are made up as follows:	Notes	£'000	£'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

		2023	2022
Staff costs in the Charitable Company and Trading Company were:	Notes	£'000	£'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	Totals
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	Totals
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 Brazil 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

		Group 2023	Group 2022	Charity 2023	Charity 2022
Amounts falling due within one year:	Notes	£'000	£'000	£'000	£'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.

		Group 2023	Group 2022	Charity 2023	Charity 2022
Deferred income represented:	Notes	£'000	£'000	£'000	£'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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Charity Registration No.: 1130306
OSCR Registration No.: SC043120
Company No.: 6897785