

NATURAL RESOURCE CHARTER LIMITED

England & Wales · Charity number 1144326

Details

Status Registered

Legal form Charitable company

Company number [07645971](#)

Registered 2011-10-18

Register [View on the Charity Commission register](#)

Contact

Address Jasper House
4-6 Cophall Avenue 3rd Floor
London

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Website <https://resourcegovernance.org/>

Activities

Objects: TO ADVANCE EDUCATION FOR THE PUBLIC BENEFIT IN THE MANAGEMENT AND USE OF NON-RENEWABLE RESOURCES BY GOVERNMENTS AND SOCIETY IN ORDER TO PROMOTE SUSTAINABLE DEVELOPMENT, POVERTY REDUCTION, AND GOOD GOVERNANCE, IN PARTICULAR BUT NOT EXCLUSIVELY BY:(1) THE PUBLICATION AND DISSEMINATION OF THE NATURAL RESOURCE CHARTER AND OTHER DOCUMENTS AND MATERIALS TO ENHANCE TRANSPARENCY, EFFECTIVENESS, AND ACCOUNTABILITY FOR RESOURCE DEVELOPMENT, REVENUE MANAGEMENT AND PUBLIC EXPENDITURES;(2) RESEARCH REGARDING THE USE OF NATURAL RESOURCES AND THEIR REVENUES AND THE IMPACTS OF NATURAL RESOURCES ON DEVELOPMENT;(3) THE PROVISION OF INFORMATION, TRAINING AND FUNDING TO INDIVIDUALS, JOURNALISTS, CIVIL SOCIETY, POLICY MAKERS, PARLIAMENTARIANS, AND GOVERNMENT OFFICIALS, AND THE CONVOCAION OF MEETINGS OF GOVERNMENTS, CIVIL SOCIETY, EXPERTS AND OTHERS TO INFORM THE WORK OF THE CHARITY AND TO DISSEMINATE THE RESULTS OF THAT WORK.

Activities: Through technical advice, advocacy, applied research, policy analysis, and capacity development, NRCL works with innovative agents of change within government ministries, civil society, the media, legislatures, the private sector, and international institutions to promote accountable and effective governance in the extractive industries.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Colombia
- Congo (Democratic Republic)
- Ghana
- Guinea
- Mexico
- Mongolia
- Nigeria
- Peru
- Senegal
- Tanzania
- Tunisia
- Uganda

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,671,930	£1,711,165	£59,458	16
2023-12-31	£1,924,716	£1,878,705	£98,693	18
2022-12-31	£1,778,027	£1,734,887	£52,682	17
2021-12-31	£1,780,925	£1,772,359	£9,542	18
2020-12-31	£1,506,915	£1,569,992	£976	15

Trustees

Name	Role	Appointed
ALAN DETHERIDGE		2013-05-30
JOSEPH CHARLES BELL		2014-10-20
Meghna Abraham		2021-01-01

NATURAL RESOURCE CHARTER LIMITED

England & Wales - Charity number 1144326

Accounts

NATURAL RESOURCE CHARTER LIMITED
TRUSTEES' REPORT FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024

Registered Charity Number 1144326

Registered Company Number 07645971

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number 07645971

Registered Charity Number 1144326

Principal and Registered Office Jasper House,
4-6 Copthall Avenue
3rd Floor
London
EC2R 7DA

Trustees Alan Detheridge
Joseph Charles Bell
Mark Henstridge
Meghna Abraham

Managing Director Elizabeth McGrath

Bankers Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Auditor HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are pleased to present their annual directors' report together with the financial statements of Natural Resource Charter Ltd (NRCL) for the year ending 31 December 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2019).

STRUCTURE, MANAGEMENT AND OBJECTIVES

The charitable company is controlled by its Memorandum and Articles of Association. It was incorporated on 24th May 2011 (Company Number 7645971) and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and is also registered as a charity (Charity Number 1144326).

The trustees are appointed by the Member, Natural Resource Governance Institute ("NRGI"). The charity provides induction materials for new members and training as required.

OBJECTIVES AND ACTIVITIES

The charity's objects ("Objects") are specifically restricted to the following:

To contribute to fair, prosperous and sustainable societies by advancing citizen and government efforts in resource-rich countries to:

- Drive systemic change to avoid harms from mining and equitably benefit from the responsible scale up of transition minerals necessary to avert global climate catastrophe.
- Build inclusive economies that end dependence on fossil fuels and advance a just energy transition for citizens.
- Manage revenues from natural resources accountably in response to citizen priorities.

NRCL provides policy advice and advocacy infused with lessons learned in the field and with insights developed through rigorous research. NRCL shares knowledge and experience freely with policymakers, accountability actors and the global campaign for improved international norms. NRCL is particularly well-placed to convene reform-oriented dialogue and to engage in constructive policy advocacy.

NRCL embraces multi-stakeholder approaches and remains focused on core competencies, such as the research on natural resource governance and the energy transition. At the country level NRCL provides training, technical assistance and support on how to deliver transparency and accountability, including through implementation of the Extractive Industries Transparency Initiative, and the use of data; strengthening fiscal systems and reform of state-owned enterprises; and improvements in the management of resource revenues. NRCL also promotes the uptake of global norms of transparency and governance. NRCL seeks to produce measurable change in the direction of more effective and more open management of natural resources.

NRCL staff work under a cooperation agreement with the Natural Resource Governance Institute (NRGI) its sole member, a U.S. registered charity, NRCL became active in November 2014 with the transfer of the UK operations of NRGI. In addition, employees of Open Society Foundation (Company Number 04571628) previously seconded to NRGI were transferred to NRCL. NRGI has adopted a strategic plan for the organisation that includes NRCL's proposed activities. NRCL's trustees have reviewed and approved this plan on behalf of NRCL. Through technical advice, advocacy, applied research, policy analysis, and capacity development, NRCL works with innovative agents of change within government ministries, civil society, the media, legislatures, the private sector, and international institutions to promote accountable and effective governance in the extractive industries. NRCL's staff have depth in capacity development and applied research and analysis.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

ACHIEVEMENTS AND PERFORMANCE

The largest share of the NRCL budget covers staff salaries, benefits and office costs. Sixteen staff are based in the London office, spanning senior management, governance, legal and economic programs, capacity development, communications, fundraising, human resources and operations. They support global, regional and country projects, engage with institutions such as multilateral agencies and private sector actors, conduct research and analysis, participate in major convenings and lead NRGI's research and capacity-building efforts. They also collaborate with country teams to implement NRGI's strategies. Key contributions in 2024:

- Governance team members led global advocacy on transition minerals governance and anti-corruption.
- Legal and economic programs staff advanced work on energy transition research.
- Operations, including HR, provided the organizational backbone.
- Fundraising staff led donor relations and resource mobilization.
- A capacity development team member oversaw international courses with Oxford and ETH Zurich.
- The managing director drove organizational effectiveness, strategy development and program implementation.

In 2024 NRGI staff co-created a new 2025–2030 strategy for approval in 2025. NRCL staff contributed to major progress across NRGI's priorities through research and analysis and direct engagement with civil society, governments and international organizations. The following highlights key achievements from NRCL's work in 2024:

Providing global and regional thought leadership on transition minerals governance

In 2024, and building on groundwork laid in previous years, NRGI strengthened its role as a global thought leader and trusted source of assistance in transition minerals governance, engaging in key international and regional forums and spaces to amplify producer country perspectives and leveraging local and global knowledge for change.

A significant milestone was our participation – as one of two civil society organizations – in the UN Secretary-General's Panel on Critical Energy Transition Minerals. The Panel's [report](#), which includes principles and actions, represents a key contribution toward advancing a more just and equitable paradigm for responsible mining. Our technical contributions and input throughout the process helped to ensure that the principles of [equity and justice](#) were embedded in the Panel's final recommendations. Following the launch of the Panel's report, we convened and engaged actors to discuss next steps and implementation of the recommendations. During the New York Climate Week in September, and in partnership with [Oxfam](#) and [Publish What You Pay](#), we co-organized a [briefing](#) with panel members on the outcomes of the process and next steps. At COP16 in Cali, we [supported](#) Colombia's launch of a joint voluntary declaration on responsible mining practices and call to establish a multistakeholder group to begin discussions ahead of COP30, which aligns with the UN panel's recommendations and is a key step toward establishing a binding international agreement on traceability and due diligence. At [COP29](#), and drawing connections to the panel's recommendations on value addition, benefit sharing, economic diversification, traceability and centrality of human rights, we emphasized the importance of [financing, anticorruption, and civic space](#) for just and equitable transition mineral supply chains. In December, we hosted a convening at the Rockefeller Bellagio Center with leading thinkers from Africa, Asia and Latin America to discuss transition minerals and options to implement the panel's recommendations. In parallel to these fora, we continued to develop written guidance for stakeholders in key policy areas, such as [mineral value addition](#).

Recognizing the growing importance of state-state mining partnerships, NRGI proactively engaged with international actors to [highlight gaps in transparency and governance](#) within these emerging mineral supply agreements. During the [opening panel](#) of the OECD Responsible Minerals Forum in May, we emphasized transparency as a key starting point for ensuring these partnerships help advance a just and equitable energy transition, and we co-organized a session on [levers for policy action](#) where we highlighted the need to address corruption in partnerships and global standards and legislation. We updated [ResourceContracts.org](#) – a repository of publicly available oil, gas, and mining contracts – with documents related to these types of state-state mining partnerships, to ensure accessibility of the details on these partnerships which are available. In collaboration with the International Energy Agency (IEA), with whom we formalized a partnership through a [memorandum of understanding](#) in July, we stressed the importance of [improving these partnerships](#) through enhanced transparency, greater attention to mineral producing countries' needs, incorporation of incentives for responsible mining practices, and ensuring consultation with relevant stakeholders including civil society and rightsholders. We [spoke](#) at the annual meeting of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development on how these

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

partnerships intersect with lower-income countries' goals of value addition, and we participated in the invite-only Minerals Security Partnership Forum during [EU Raw Materials Week](#) in December.

We also played an active role at the Africa Mining Indaba in February 2024, leading and contributing to several [discussions](#). We emphasized the need for tax reforms, value addition, citizen beneficiation, and adoption of inclusive and responsible mining practices and produced a [piece](#) highlighting the need to include community voices in the Mining Indaba. At the [Alternative Mining Indaba](#), we led a capacity-building [workshop](#) on "Addressing Corruption in Energy Transition Minerals in Africa – How can Women and Communities Benefit?", in collaboration with the Extractives Industries Transparency Initiative (EITI). These platforms provided opportunities to share our latest analyses and thinking and amplify calls for enhanced mineral governance in panel discussions.

Working towards just transitions in fossil fuel producing countries

NRGI has focused on supporting just transitions in regions such as the Middle East and North Africa (MENA), Latin America, and sub-Saharan Africa, by facilitating inclusive dialogues, co-creating narratives, and conducting and sharing rigorous research to inform policy discussions and decisions.

In Mexico, our research on Pemex and the country's energy transition gained significant traction in 2024. Our report, "[Pemex and the Energy Transition: Timely Answers to Growing Challenges](#)" was widely cited in national media outlets like [Forbes](#), [El Financiero](#), [Oil and Gas Magazine](#), and [Energía a Debate](#), and over 150 people attended the report's launch [webinar](#), including representatives of the Secretariat of Environment, the National Hydrocarbons Commission, and the Chamber of Deputies. We also contributed to making the future of Pemex a more prominent issue during the presidential campaigns through our participation in discussions about the [National Decarbonization Plan](#) with representatives from all Presidential candidate [teams](#). In May, we met with EMIA members to stress the need for stronger regulatory oversight of Pemex's emission reduction targets, further detailed in our report, [Closing Implementation Gaps: Recommendations for Pemex to Meet its Emission Reduction Goals](#). After the elections, we emphasized Pemex's role in climate and energy transition plans, by sending a [technical note](#) on transition risks to the Ministry of Energy and engaging with Chatham House experts. This engagement amplified our messages internationally through media like [Climate Home News](#), the [BBC](#) and [El País](#). At [COP29](#), we highlighted the need to include [Pemex in Mexico's updated NDC](#) to support its net-zero ambition for 2050.

In Colombia, we continued our efforts on [narratives](#) around just energy transitions, aiming to amplify diverse voices in a public discourse often dominated by economic and political actors against fossil fuel phase-out. Building from our work in 2023 where we worked closely with civil society to co-create a [metanarrative](#) emphasizing the country's potential beyond oil and gas, this [year](#) we validated the metanarrative with a broader group of CSOs and local communities, and we worked on narratives at subnational level (in one coal-producing region and two oil-producing regions), recognizing that regions face diverse challenges and that communities have varying priorities and working to highlight these specificities.

Promoting transparency in the oil and gas sectors in Senegal and Nigeria

Transparency in fossil fuel governance is essential to ensure that resource wealth translates into public benefit. In Senegal and Nigeria, through evidence, convening and advocacy, we have worked to advance progress in public disclosure practices.

We accompanied the Nigeria Extractive Industries Transparency Initiative (NEITI) by developing a new data collection template that was integrated into NEITI's 2022 and 2023 [oil and gas audits](#), resulting in 15 companies disclosing their greenhouse gas and methane emissions. This advancement aligns with global best practices and empowers civil society and the public to hold both government and private actors accountable for their environmental impacts. Additionally, following years of advocacy by [CSOs](#) including NRGI, Nigeria's [Decade of Gas plan](#) was officially published in May, marking a significant milestone for transparency and accountability, as civil society actors and the public now can review, understand and interrogate the government's gas strategy. This ensures that gas development aligns with a sustainable energy future and a just energy transition. We are continuing efforts to [recommend ways](#) in which the Decade of Gas plan can strengthen its financial sustainability, alignment with adequate domestic energy access, and adaptability to the global energy transition context

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

In Senegal, the publication on [EITI's website](#) of annexes to Senegal's 2019 Petroleum Code—long sought by accountability actors and a recommendation from our 2023 briefing paper "[Why Senegal Should Minimize Petroleum Operations Emissions](#)", which received significant [attention](#) and press [coverage](#)—is an important initial action to facilitate informed public debate, increased public scrutiny and opened avenues for more informed discussions on emissions reduction and resource management.

In addition, our [research](#) on the gas-to-power sector in Senegal, published in July 2024, arrived at a crucial moment, as the nation strives to reduce electricity costs and expand its energy capacity by up to 3GW. The gas to power project is seen as a cornerstone for Senegal's energy future, especially for the 4 million rural citizens still without reliable electricity. However, the report highlights the significant information gaps between the government, civil society, and media, where public discourse is overly centered on a divisive debate about gas use, further complicated by government opacity and outdated strategies. The report was shared with key stakeholders and policymakers, and a [dedicated discussion](#) was held in October with these stakeholders, civil society, and the media. The report has contributed to managing expectations, highlighting challenges associated with large-scale gas expansion, and increasing attention to renewable energy, as reflected in the [Vision 2050](#), which explicitly references the 50% renewables target for new power plants. As Senegal forges ahead, the report's recommendations will be pivotal in managing expectations, ensuring an optimal gas expansion, and guiding a sustainable energy transition that sufficiently prioritizes renewables and energy efficiency.

Capacity development and knowledge sharing on resource governance and the energy transition

Building capacity among various stakeholders remains a cornerstone of our work. In 2024, NRG co-hosted an advanced course with ETH Zurich's NADEL Center for Development and Cooperation titled 'Natural Resource Governance and Energy Transition: Policies and Practice.' As part of this course, which aimed to equip practitioners and policymakers with knowledge and hands-on tools to navigate the energy transition and improve extractive industries governance and oversight for a better and more just future, NRG, organized in collaboration with the Gordon and Betty Moore Foundation the panel 'Forests and the Energy Transition: Navigating Sustainable and Just Pathways'. This event focused on regions significantly impacted by deforestation, internal extraction, oil production and energy generation: Colombia, Peru, Indonesia, and the Democratic Republic of Congo (DRC); and examined the complexities of energy transition initiatives in the context of ongoing environmental concerns, indigenous rights and socio-economic dynamics. Planning for the 2025 edition is already underway, with an expanded curriculum that will further explore forest conservation and socio-environmental impacts of energy projects.

NRGI also collaborated with the Blavatnik School of Government at Oxford University to host the annual Executive Course on Managing Mining, Oil, and Gas for National Development. Held in September, the course brought together 53 participants from 19 countries and covered technical policy aspects of resource management and facilitated dialogue among diverse stakeholders. As part of the course, NRG organized a Gender Breakfast that convened 30 participants and seven faculty members to discuss gender dynamics in extractive industries. Discussions highlighted how energy transitions often overlook women's needs, particularly those in lower-skilled or vulnerable roles, which can lead to women being disproportionately affected. During the event, NRG introduced its newly published primer, [Fostering Gender-Just Energy Transitions in Mineral- and Fossil Fuel-Producing Countries](#), which outlines challenges, opportunities, and practical recommendations for integrating gender considerations into resource governance.

In addition to these global courses, NRG organized two regional summer schools in Africa. In July, the Francophone Africa Extractive Industries Knowledge Hub hosted a session in Yaoundé, Cameroon, gathering 23 participants from eight francophone African countries to explore topics including contracts, mining and oil taxation, revenue management, and environmental and social impacts, with each mainstreaming energy transition issues. Participants also attended an international conference under the theme "Socially Just and Inclusive energy Transition in Africa: Issues and Challenges. In August, the Africa Centre for Energy Policy (ACEP) and NRG organized a one-week intensive summer school a similar program in Accra, Ghana, which brought together over 30 participants from eight countries across Anglophone Africa to examine extractive governance challenges and opportunities during the energy transition. With experts, participants explored topics such as resource extraction and energy transition, transition mineral governance and engaged in a policy lab discussion to rethink energy and extractive governance in Africa. Learners also gained practical insights by attending the "Future of Energy Conference" which offers a platform to explore innovative solutions and strategies for a sustainable energy future for Africa.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

KEY MANAGEMENT PERSONNEL

In 2024, NRGI's senior management team was based in the US, except for the Senior Director of Programs, based in Colombia, and the Managing Director, based in the UK. NRCL bore the costs of the Managing Director.

The Governing Board of NRGI is responsible for establishing/reviewing the compensation (salary and benefits) of all NRGI senior executives inclusive of the Managing Director. Staff pay is set using external benchmarking of the applicable local market(s).

RISK REVIEW

NRGI has a centralized approach to risk management and manages its insurance policies globally. In addition to the organisation-wide assessments of the operating environment (People, Property, Compliance, and Income), NRGI also reviews individual projects. The Project Leads carry out risk assessments for each project as it is launched, which are updated periodically. In 2024 NRGI's country offices generated individual risk registries, adapted to the particular risk they could face in their areas of intervention.

The following table draws upon an internal risk register that is updated regularly as part of a larger dashboard for our board of directors. The table considers specific risks for NRCL, within the broader NRGI context. NRCL's income is entirely derived through a service agreement with its parent NRGI, with NRCL transactions chiefly concerning UK-based staff and the operating cost of the London office. While further risks are included in NRGI's internal risk register, the following table only presents risks with the highest potential likelihood and impact.

Description	Mitigation
Financial Risks	
<p>Limited unrestricted funding from donors to cover NRGI activities -There is a reduction in the number of donors that are interested in signing unrestricted grants.</p> <p>Low level of restricted funding available for NRGI to implement its new strategy- Reduction in the UK aid funding budget and closure of the USAID, which have been key donors for NRGI</p>	<ol style="list-style-type: none"> 1. Continue to diversify donor pool. 2. Further professionalize our development efforts. 3. Review business model assumptions (including staffing) and conduct scenario planning. 4. Adapt NRGI's strategy to attract new funders. 5. Consider indirect cost recovery in restricted funding budget. 6. Increase NRGI's ability to price its offerings and leverage restricted funds. 7. Increase Efficiency and Cost Optimization, by reviewing current programs and operational costs to identify areas where resources can be optimized without compromising impact. 8. Leverage technology to enhance efficiency in program delivery and reduce overhead costs where possible.
Political Risks	
<p>NRGI's staff interventions and programs in an increasingly polarized political context are seen as partisan.</p>	<ol style="list-style-type: none"> 1. Ensure the continued rigor and credibility of our interventions. 2. Maintain partnerships across the political spectrum. 3. Leverage credibility to remedy any such allegations.
People Risks	
<p>Loss of key staff.</p>	<ol style="list-style-type: none"> 1. Ensure cross training among team members to create redundancy and limit risk when turnover occurs. 2. Ensure robust information and knowledge management to facilitate transitions when they occur. 3. Recruit for key vacancies that will deepen the staff bench. 4. Engage with high performers to support professional development and job satisfaction.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

<p>Staff potentially exposed to harm in the course of performing their duties.</p>	<ol style="list-style-type: none"> 1. In 2024, International travel is common. Staff travelling is required to confirm that they have read relevant guidance and alerts (including those related to medical necessities). To access updated information, NRCL has before and during travel access to ISOS security portal where security reports are regularly updated. 2. NRGI has global insurance, including for special events during travel. 3. NRGI has medical evacuation and repatriation insurance for employees in need of serious medical attention in risk areas. 4. Emergency plans have been developed for all offices.
<p>Staff do not act in accordance with the ethics and conflict of interest policies. Staff may fail to follow procedures, resulting in impact on business continuity, reputation or finances.</p>	<ol style="list-style-type: none"> 1. NRGI ensures staff are aware of and understand formal employment policies through a more robust onboarding process. 2. Conflict of Interest Policy is reviewed annually, updated as needed and conflicts are flagged and reviewed.
<p>Reputational Risks</p>	
<p>Strategic Relevance - In the context of the climate crisis and the acceleration of the green agenda brought on by Covid-19, NRCL needs to accelerate its pivot towards these issues to ensure its continued relevance</p>	<ol style="list-style-type: none"> 1. Invest in advancing NRGI's work on the energy transition. 2. Communications efforts will continue to reposition NRGI in the current context. Additional efforts related to the launching of 2025-2030 Strategy.
<p>NRCL is perceived as a "Global North"-dominated organization that is insufficiently connected to ideas, priorities, narratives and politics of people in resource-rich developing countries, limiting our ability to maintain strong partnerships, stay relevant in national/regional discussions and generate strong impact.</p>	<ol style="list-style-type: none"> 1. Ensuring our policies, practices, programming and culture prioritize and respond to the voices and perspectives of partners and staff in the countries where we work. 2. Enhancing partnerships to ensure collaboration in the development of an evolving agenda for resource governance that reflects priorities of the Global South, stronger trust/ideas-generation with national and local actors 3. Decentralizing the organization's center of power strategically and operationally, ensuring strong leadership from our regional teams.
<p>Description</p>	<p>Mitigation</p>
<p>Protection of Assets</p>	
<p>Disaster (fire/ flood) leading to loss of essential assets or critical data.</p>	<ol style="list-style-type: none"> 1. All systems are cloud-based with recurring backup performed. 2. Individual laptops backup through OneDrive (Cloud-based). 3. Relevant insurance is in place that includes anti-phishing trainings for all staff.
<p>System issues (e.g. virus, hacked, unauthorized access, system down).</p>	
<p>Fraud, theft or misappropriation of assets.</p>	<ol style="list-style-type: none"> 1. All payments require set-up / approval (segregation). 2. Funds transferred to NRCL monthly, so limited funds on hand or accessible. 3. Monthly bank reconciliations performed, with all individual transactions reviewed and approved centrally. 4. Relevant insurance is in place.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

PUBLIC BENEFIT

The trustees confirm that they have referred to the Charity Commission's general guidance on Public Benefit when reviewing and shaping the charity's aims and objectives for the year and planning future activities. The charity works to ensure that its programmes are inclusive, accessible, and responsive to the needs of its intended beneficiaries.

FUNDRAISING POLICY

The Charity does not carry out any external fundraising activities and did not receive any complaints.

RESERVES POLICY

The Trustees believe it is not necessary to mandate a specific level of reserves and introduce an independent reserve policy considering the cooperation agreement with NRGi. NRGi adopted a comprehensive reserves policy as of April 2019 that includes NRCL. The current reserve level is £59,458. The reserve level is reviewed at each board meeting.

FINANCIAL REVIEW

Income for the year ended December 31, 2024, and 2023 was £1,671,930 and £1,924,716, respectively, comprising contributions from NRGi. Expenses were £1,711,165 and £1,887,972, respectively, comprising primarily staff costs and office costs. Staff costs drove the decrease in expenses as headcount decreased, this was offset by a decrease in cash held at the end of the year. This has resulted in a deficit of £39,235 (2023; £46,011 surplus) for the period and with the Net Assets of £59,458 (2023; 98,963). All income and expenditure in the year were unrestricted.

PLANS FOR THE FUTURE

NRCL staff will be implementing the NRGi approved 2025-2030 strategic plan approved in January 2025 and will be carrying work in line with the strategy. NRGi will continue its role as an independent, global policy analysis and advocacy institute that works collaboratively to generate and translate knowledge into policy reform in resource-rich countries. NRGi will share good practice, captured in the Natural Resource Charter as intellectual framework, through analysis of the evidence and contextually relevant tools and approaches

NRGI will strengthen local accountability actors, with an emphasis on civil society, to hold governments accountable and to contribute to policy reform by building their technical capacities and enabling access to key decision makers and influencers. NRGi will support reform-minded policy makers by providing credible analysis and evidence to make informed decisions in the best interests of current and future generations. NRGi will reinforce our work to build domestic capacity for change by targeting regional and global influencers.

NRCL staff will support the following strategic objectives:

To contribute to fair, prosperous and sustainable societies by advancing citizen and government efforts in resource-rich countries to:

- Drive systemic change to avoid harms from mining and equitably benefit from the responsible scale up of transition minerals necessary to avert global climate catastrophe.
- Build inclusive economies that end dependence on fossil fuels and advance a just energy transition for citizens.
- Manage revenues from natural resources accountably in response to citizen priorities.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of the charitable company for the purpose of company law, are responsible for preparing the Trustee Report and the accounts in accordance with applicable law in the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to accounts for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the income and expenditure of the charitable company of the period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the companies act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far we are aware, there is no relevant audit information of which the company's auditors are unaware. We have taken appropriate steps identify any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In November 2024, our auditor changed its name from Haysmacintyre LLP to HaysMac LLP. HaysMac LLP have expressed their willingness to continue in service and offer themselves for re-appointment at the next annual General Meeting.

SMALL COMPANY NOTE

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

Signed by order of the Board of Trustees on



Meghna Abraham, Trustee

Date: May 9th 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

We have audited the financial statements of the Natural Resource Charter Limited for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 December 2024 and of the charitable company's net movement in funds, including the 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charities Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

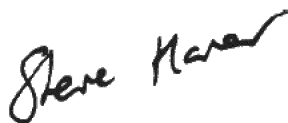
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steve Harper (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
Date 16 June 2025

10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds	
	Notes	Totals 2024 £	Totals 2023 £
Income from:			
<i>Donations</i>		1,671,930	1,924,716
Total		<u>1,671,930</u>	<u>1,924,716</u>
Expenditure on:			
<i>Charitable activities</i>			
Direct charitable expenditure	3	1,711,165	1,878,705
Total		<u>1,711,165</u>	<u>1,878,705</u>
Net movement in funds		(39,235)	46,011
Reconciliations of funds			
Total funds brought forward		98,693	52,682
Total funds carried forward		<u><u>59,458</u></u>	<u><u>98,693</u></u>

All transactions are derived from continuing activities.

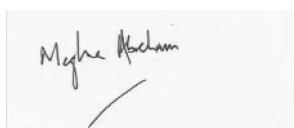
All gains and losses recognised in the year are included in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2024****COMPANY NUMBER 07645971**

	Notes	£	2024	£	£	2023	£
FIXED ASSETS							
Tangible fixed assets	6			6,664			15,996
CURRENT ASSETS							
Cash at Bank			2,873			61,680	
Debtors	7		119,339			119,358	
			<u>122,212</u>			<u>181,038</u>	
Creditors: Amounts falling due within one year	8		(69,418)			(98,341)	
NET CURRENT ASSETS							
				52,794			82,697
NET ASSETS							
				<u>59,458</u>			<u>98,693</u>
FUNDS							
Unrestricted funds							
General	10			59,458			98,693
				<u>59,458</u>			<u>98,693</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 9th May 2025 and were signed below on its behalf by:



Meghna Abraham, Trustee

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Total funds 2024 £	Total funds 2023 £
Cash /inflows from operating activities	(58,298)	54,552
Cash flows from investing activities:		
Purchase of tangible fixed assets	(509)	(17,187)
Decrease in cash and cash equivalents in the reporting period	(58,806)	37,365
Cash and cash equivalents at the beginning of the reporting period	61,680	24,315
Cash and cash equivalents at the end of the reporting period	2,873	61,680
	2024 £	2024 £
Reconciliation of net movement in funds to cash flow from operating activities		
Net movement in funds	(39,235)	46,011
Depreciation	9,841	8,693
(Increase)/decrease in debtors	19	(2,342)
Increase/(decrease) in creditors	(28,923)	2,189
Net cash used by operating activities	(58,298)	54,552
	2024 £	2024 £
Analysis of cash and cash equivalents		
Cash in hand	2,873	61,680
Total cash and cash equivalents	2,873	61,680

Analysis of changes in net fund

	At 1 January 2024	Cash Flow	Other cash changes	At 31 December 2024
	£	£	£	£
Cash and bank	<u>61,680</u>	<u>(58,806)</u>	-	<u>2,873</u>

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

Basis of Preparation

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) – (Charities SORP (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Natural Resource Charter Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees have received confirmation from the charitable company's parent entity, NRGI, that it will continue to provide financial support to the charitable company for the foreseeable future. Based on this, and taking into account the funding arrangements in place, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Income

Incoming resources represent donations, including donated services received from the parent charity, NRGI, and is accounted for on a receivable basis. All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Charitable Expenditure

Charitable expenditure consists of all expenditure relating to the objective of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance Costs

Governance costs include expenditure on the governance of the Charity and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Fixed assets costing US\$1,000 or its equivalent in local currency or more, with a useful life of at least one year are capitalised. As an alternative to prorating the depreciation in the year of acquisition or disposal, the charity takes one half year of depreciation in both the years of acquisition and disposal. Depreciation is calculated by the straight-line of the estimated useful lives of the assets on the following basis

Fixtures & equipment	- 10 years
Computer equipment	- 3 years
Other office equipment	- 7 years
Website	- 5 years
Leasehold improvements	- Term of lease

Funds

General Funds are unrestricted funds which 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.

Pension

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on Page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

Estimates and Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider depreciation to be subject to estimation and judgement.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

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.

Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2. NET MOVEMENT IN FUNDS

	2024	2023
	£	£
The net movement in funds is stated after charging:		
Auditor's fee	18,300	17,500
Depreciation	9,841	8,693
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2023: £Nil)

During the year, no Trustees received any benefits in-kind (2023: £Nil)

During the year, no Trustees received any reimbursements of expenses (2023: £Nil)

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

3. CHARITABLE ACTIVITIES	Direct Staff costs	Direct Other and Governance costs	Total 2024	Total 2023
	£	£	£	£
Technical advice, advocacy, applied research, policy analysis, and capacity development	1,303,819	407,345	1,711,165	1,878,705
Prior year comparative - 2023	1,403,154	475,551	1,878,705	1,878,705

Included within Direct Other and Governance costs is an amount of £46,014 (2023: £40,496) relating to support costs for one member of staff.

4. GOVERNANCE COSTS	2024 £	2023 £
Auditor's fee	18,300	17,500
	<u>18,300</u>	<u>17,500</u>

Governance costs have been allocated to charitable activities in full.

5. STAFF COSTS AND NUMBERS	2024 £	2023 £
Staff costs during the year were as follows:		
Wages and salaries	1,067,761	1,149,953
Social security costs	130,287	139,441
Pension costs	105,771	113,760
	<u>1,303,819</u>	<u>1,403,154</u>

The average number of full-time equivalent employees during the two years was as follows:

	2024 Number	2023 Number
Programmatic staff	11	12
Communications, administration and accounting	5	6
	<u>16</u>	<u>18</u>

The number of higher paid staff whose taxable emoluments fell into higher salary bands were:

	2024 Number	2023 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	-	2
£100,001 - £110,000	2	2
£110,001 - £120,000	-	1
£120,001 - £130,000	2	-
£130,001 - £140,000	1	-

Key management remuneration was £143,059 (2023: £130,631). The charitable company operates a defined contribution pension scheme. During the year contributions paid across totalled £105,771 (2023: £113,760). At the year-end there were outstanding contributions of £0 (2023: £0).

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings	Other equipment	Leasehold Improvements	Total 2024
		£	£	£
Cost				
At 1 January 2024	8,115	130	16,324	24,569
Additions	-	509	-	509
	<u>8,115</u>	<u>638</u>	<u>16,324</u>	<u>25,078</u>
At 31 December 2024	8,115	638	16,324	25,078
Depreciation				
At 1 January 2024	1,429	47	7,097	8,573
Charge for the year	816	592	8,433	9,841
	<u>2,245</u>	<u>639</u>	<u>15,530</u>	<u>18,414</u>
At 31 December 2024	2,245	639	15,530	18,414
Net Book Value				
At 31 December 2024	<u>5,870</u>	<u>-</u>	<u>793</u>	<u>6,664</u>
At 31 December 2023	<u>6,686</u>	<u>83</u>	<u>9,227</u>	<u>15,996</u>

7. DEBTORS

	2024	2023
	£	£
Prepayments	52,200	50,193
Advances to employees	59	2,085
Security deposits	67,080	67,080
	<u>119,339</u>	<u>119,358</u>

8. CREDITORS: amounts due within one year

	2024	2023
	£	£
Trade creditors	38,403	55,901
Accrued expenses	31,015	42,571
	<u>69,418</u>	<u>98,472</u>

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total funds/ Unrestricted Funds
	£
Represented by:	
Fixed assets	6,664
Current assets	122,212
Current liabilities	(69,419)
	<u>59,458</u>
Fund balances at 31 December 2024	<u>59,458</u>

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

10. FUNDS	Balance 1 January 2024 £	Income £	Expenditure £	Balance 31 December 2024 £
General Fund	98,693	1,671,930	(1,711,165)	59,458
Total unrestricted funds	<u>98,693</u>	<u>1,671,930</u>	<u>(1,711,165)</u>	<u>59,458</u>
FUNDS – COMPARATIVES 2023	Balance 1 January 2023 £	Income £	Expenditure £	Balance 31 December 2023 £
General Fund	52,682	1,924,716	(1,878,705)	98,693
Total unrestricted funds	<u>52,682</u>	<u>1,924,716</u>	<u>(1,878,705)</u>	<u>98,693</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The entity is a company limited by guarantee with no share capital. The company is controlled by its members who have equal voting rights.

12. OPERATING LEASE NOTE

The total of the future minimum lease payments at the end of the year are:

	2024 Leasehold £	2023 Leasehold £
Not later than 1 year	111,800	134,160
Later than 1 year and not later than 5 years	145,340	11,180
	<u>11,180</u>	<u>145,340</u>

13. RELATED PARTIES TRANSACTION

Natural Resource Governance Institute (NRGI), is a charity registered in the United States of America. There is a Cooperation Agreement between the entities. During the year, donations of £1,671,929.72 (2023: £1,924,716) was received from NRGI. There are no other related parties in the current or prior period.

NATURAL RESOURCE CHARTER LIMITED

England & Wales - Charity number 1144326

Accounts

NATURAL RESOURCE CHARTER LIMITED
TRUSTEES' REPORT FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

Registered Charity Number 1144326

Registered Company Number 07645971

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number 07645971

Registered Charity Number 1144326

**Principal and
Registered Office** Jasper House,
4-6 Copthall Avenue
3rd Floor
London
EC2R 7DA

Trustees Alan Detheridge
Joseph Charles Bell
Mark Henstridge
Meghna Abraham

Managing Director Elizabeth McGrath

Bankers Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

The Trustees are pleased to present their annual directors' report together with the financial statements of Natural Resource Charter Ltd (NRCL) for the year ending 31 December 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2019).

STRUCTURE, MANAGEMENT AND OBJECTIVES

The charitable company is controlled by its Memorandum and Articles of Association. It was incorporated on 24th May 2011 (Company Number 7645971) and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and is also registered as a charity (Charity Number 1144326).

The trustees are appointed by the Member, Natural Resource Governance Institute ("NRGI"). The charity provides induction materials for new members and training as required.

OBJECTIVES AND ACTIVITIES

The charity's objects ("Objects") are specifically restricted to the following:

To contribute to fair, prosperous and sustainable societies by advancing citizen and government efforts in resource-rich countries to:

- Drive systemic change to avoid harms from mining and equitably benefit from the responsible scale up of transition minerals necessary to avert global climate catastrophe.
- Build inclusive economies that end dependence on fossil fuels and advance a just energy transition for citizens.
- Manage revenues from natural resources accountably in response to citizen priorities.

NRCL provides policy advice and advocacy infused with lessons learned in the field and with insights developed through rigorous research. NRCL shares knowledge and experience freely with policymakers, accountability actors and the global campaign for improved international norms. NRCL is particularly well-placed to convene reform-oriented dialogue and to engage in constructive policy advocacy.

NRCL embraces multi-stakeholder approaches and remains focused on core competencies, such as the measurement and assessment of natural resource governance, drawing on signature initiatives like the Resource Governance Index and the Natural Resource Charter. At the country level NRCL provides training, technical assistance and support on how to deliver transparency and accountability, including through implementation of the Extractive Industries Transparency Initiative, and the use of data; strengthening fiscal systems; reform of state-owned enterprises; and improvements in the management of resource revenues. NRCL also promotes the uptake of global norms of transparency and governance. NRCL seeks to produce measurable change in the direction of more effective and more open management of natural resources.

NRCL staff work under a cooperation agreement with the Natural Resource Governance Institute (NRGI) its sole member, a U.S. registered charity, NRCL became active in November 2014 with the transfer of the UK operations of NRGI. In addition, employees of Open Society Foundation (Company Number 04571628) previously seconded to NRGI were transferred to NRCL. NRGI has adopted a strategic plan for the organisation that includes NRCL's proposed activities. NRCL's trustees have reviewed and approved this plan on behalf of NRCL. Through technical advice, advocacy, applied research, policy analysis, and capacity development, NRCL works with innovative agents of change within government ministries, civil society, the media, legislatures, the private sector, and international institutions to promote accountable and effective governance in the extractive industries. NRCL's staff have depth in capacity development and applied research and analysis.

ACHIEVEMENTS AND PERFORMANCE

The largest portion of the NRCL budget is devoted to staff salaries, benefits and associated occupancy expenses. Eighteen staff are based in the London office. NRCL includes an employee from the Senior Management Team, both of NRGi's thematic teams (Governance Programs and Legal and Economic Programs) and the Communications, Fundraising, Human Resources and Operations teams. They support a variety of global level projects in their respective areas of purview, including external engagement with global institutions such as private sector entities and multilateral agencies, the undertaking of research and analysis, participating in major international convenings and leading NRGi's flagship research work and capacity building courses. They also support the implementation of strategies for all of NRGi's priority countries working in tandem with country staff. In particular:

- i) Members of the governance team lead our global advocacy work around transition minerals governance and anti-corruption.
- ii) Members of the legal and economic programs team lead our work on fiscal modelling, legal analysis, reform and our research on the energy transition.
- iii) Members of the operations team, including the Human Resources team, support the operational backbone of NRGi.
- iv) Members of the fundraising team lead the organization's fundraising efforts and donor relations.
- v) A member of the senior management team, the Managing Director, leads on organizational effectiveness and strategy and program design and implementation.

In 2023, NRGi continued our strategic evolutions in response to changes in the resource governance landscape and the external context and have begun work on our new strategy development which will continue through 2024. Throughout 2023, the work of NRCL staff led to numerous successes across the range of themes that NRGi focuses on. NRGi analysis and direct engagement with civil society, governments and companies worldwide led to major progress around each element of our strategy. The below sets out some examples of the work NRCL did in 2023:

Evidence-based advocacy: NRGi continues to learn and adapt around our research and analysis outputs, aiming to more intentionally integrate evidence into advocacy outputs. An example is our updated research on National Oil Companies, published in November 2023, where we analysed NOC spending commitments. This informed NRGi's advocacy at COP28, where we held an official press conference on the first day, co-organised a side-event at the Danish Pavilion, participated in nine events on related issues, as well as on governance, corruption, Colombia, MENA and just transition narratives and contributed to many events and media briefings, and published a series of blogs providing analyses of COP28 outcomes. In 2023, the Production Gap Report produced by UNEP and a group of climate-focused NGOs cited NRGi's research in making the case that NOC investment is a major driver of public spending that risks widening the global production gap. The COP28 outcome mentioning fossil fuel transition underscores the importance of sharp analysis and open dialogue to chart the future for low- and middle-income producers of oil, gas and coal. NRGi will continue to focus on our fossil fuel transition work in 2024, by creating spaces for discussion and knowledge sharing.

Shaping the future of mineral taxation: In June, the Global Conference on the Future of Resource Taxation in Zambia convened government officials, industry, civil society and academia to deliberate changes needed in mining taxation amid the energy transition. We sponsored African civil society participants, providing pre-and post-conference workshops and advocacy support. NRGi played a central role in the "future of resource taxation" project, contributing three chapters to the Handbook on the Future of Resource Taxation, launched by IISD's Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) and the African Tax Administration Forum (ATAF). The handbook is now being used to inform government decision-making and public debate. Our chapters covered carbon pricing and border carbon adjustments, variable rate royalties and minimum profit share mechanisms and the implications of carbon taxes for resource-rich developing countries.

Executive Course – partnership with the University of Oxford: From 17 to 22 September 2023, we hosted the 11th edition of the executive course, "[Oil, Gas and Mining Governance in Emerging Markets](#)" in partnership with the University of Oxford's [Blavatnik School of Government](#). With 48 participants from 17 countries, the course featured leading experts, including Paul Collier, former NRGi Governing Board member and board member Carole Nakhle. To further our aim of addressing knowledge gaps on the energy transition, we added two new sessions on global decarbonization and mineral transition and the energy transition for oil and gas producers. After the executive course, we hosted a gender event to create a platform for female participants to discuss gender equity in natural resource governance. Framed around the [Feminist Natural Resource Governance for a Just Transition Agenda](#), participants discussed concrete

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

policy recommendations to foster a [just energy transition](#), through community consultations, land rights and compensation, gender-relevant and disaggregated data and Just transition and the climate crisis.

Representing civil society at the International Energy Agency's first-ever Critical Minerals and Clean Energy Summit: On September 28 and 29, NRGI was the only civil society organization invited to attend the International Energy Agency's (IEA) first-ever Critical Minerals and Clean Energy Summit. We aimed to maximize this opportunity by collaborating with other civil society groups to promote shared agendas. NRGI staff authored an op-ed to highlight our primary messages, interacted with the media, and participated in significant bilateral meetings during the event. The outcomes of the Summit informed further discussions on formalizing NRGI's partnership with the IEA in early 2024, as the IEA deepens their engagement on critical minerals.

Diagnosing corruption in the extractive sector: In December 2023, NRGI published the second edition of our [extractives corruption diagnostic tool](#). This tool is a flexible and adaptable guide that helps users engage on sensitive topics, identify and understand major corruption issues, develop multi-stakeholder participation and support, and build and implement action plans to prevent corruption in the future. This latest edition brings in insights from users of the tool in [Mongolia](#), [Colombia](#), [Guinea](#) and the [Philippines](#) and features a digital [microsite](#) to help users quickly understand and navigate all relevant information. In addition to the five existing thematic modules covering guidance on key topics on [Licensing and Contracting](#), [Operations](#), [Revenue Collection](#), [Revenue Management](#), [State-Owned Enterprises](#), this new edition of the tool includes new modules developed for Step 4 on [Artisanal and Small-Scale Mining](#) and [Socioenvironmental Impacts](#) in the Mining Sector, with a further module on [Fossil Fuel Phaseout](#) to be published in early 2024.

Anticorruption and the 2023 EITI Standard: In December 2023, we published a new guide on [how to use the EITI 2023 Standard for anticorruption](#). The 2023 EITI Standard introduced significant new requirements that are either mandatory, expected or encouraged for implementing countries and companies, compared to the 2019 Standard. In particular, the Standard now includes several obligations aimed at bringing more information into the public domain to advance gender equality, a just energy transition and anticorruption efforts. In 2021, building on an EITI-commissioned paper on the role of the EITI in fighting corruption, NRGI published two reports which showed how anticorruption actors could use EITI disclosures and spaces to advance their work and recommended ways to strengthen the role and potential of the EITI for anticorruption purposes. In this new guide, NRGI updates its guidance for anticorruption actors—such as civil society, journalists, EITI Multi-Stakeholder Groups (MSGs) and government enforcement agencies—by outlining how the innovations of the 2023 Standard may help advance their efforts.

Diversity, Equity and Inclusion (DEI): In 2023, NRGI contracted with [Under the Rainbow](#) for a review of NRGI's Diversity, Equity and Inclusion (DEI) progress to date. This is the second such review commissioned by NRGI through our DEI Action Group and focused on progress made against NRGI's DEI Action Plan which has been under implementation since 2022. The review revealed that NRGI is making substantial progress in advancing and institutionalizing DEI in its practices and culture. It identified notable positive changes and laid out key recommendations for NRGI to advance DEI going forward. These are (i) Communicate often, clearly and concisely; (ii) Craft connection; (iii) Strengthen collaboration; (iv) Invest in culture: center care and wellbeing; (v) Build community.

KEY MANAGEMENT PERSONNEL

In 2023, NRGI's senior management team was based in the US, except for the Senior Director of Programs, based in Colombia, and the Managing Director, based in the UK. NRCL bore the costs of the Managing Director.

The Governing Board of NRGI is responsible for establishing/reviewing the compensation (salary and benefits) of all NRGI senior executives inclusive of the Managing Director. Staff pay is set using external benchmarking of the applicable local market(s).

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

RISK REVIEW

NRGI has a centralised approach to risk management and also manages its insurance policies globally. In addition to the organisation-wide assessments of the operating environment (People, Property, Compliance, and Income), NRGI also reviews individual projects. The Project Leads carry out risk assessments for each project as it is launched, which are updated periodically.

The following table draws upon an internal risk register that is updated regularly as part of a larger dashboard for our board of directors. The table considers specific risks for NRCL, within the broader NRGI context. NRCL's income is entirely derived through a service agreement with its parent NRGI, with NRCL transactions chiefly concerning UK-based staff and the operating cost of the London office. While further risks are included in NRGI's internal risk register, the following table only presents risks with the highest potential likelihood and impact.

Description	Mitigation
Financial Risks	
Limited unrestricted funding from donors to cover NRGI activities -There is a reduction in the number of donors that are interested in signing unrestricted grants.	<ol style="list-style-type: none"> 1. Continue to diversify donor pool. 2. Further professionalize our development efforts. 3. Review business model assumptions (including on staffing) and conduct scenario planning. 4. Adapt NRGI's strategy to attract new funders. 5. Consider indirect cost recovery in restricted funding budget. 6. Increase NRGI's ability to price its offerings and leverage restricted funds.
People Risks	
Loss of key staff -	<ol style="list-style-type: none"> 1. Ensure cross training among team members to create redundancy and limit risk when turnover occurs. 2. Ensure robust information and knowledge management to facilitate transitions when they occur. 3. Recruit for key vacancies that will deepen the staff bench. 4. Engage with high performers to support professional development and job satisfaction.
Staff potentially exposed to harm in the course of performing their duties -	<ol style="list-style-type: none"> 1. In 2023, International travel is back to pre-pandemic levels. To protect staff they are required to confirm that they have read relevant guidance and alerts (including those related to medical necessities). 2. NRGI has global insurance, including for special events during travels. 3. NRGI has medical evacuation and repatriation insurance for employees in need of serious medical attention in risk areas. 4. Emergency plans have been developed for all offices.
Reputational Risks	
Strategic Relevance - In the context of the climate crisis and the acceleration of the green agenda brought on by Covid-19, NRGL needs to accelerate its pivot towards these issues to ensure its continues relevance	<ol style="list-style-type: none"> 1. Invest in advancing NRGI's work on the energy transition. 2. Communications efforts will continue to reposition NRGI in the current context, examples including a recent 2020 series on Covid-19 and extractive impacts and ongoing work on the energy transition.
NRGI is perceived as a "Global North"-dominated organization that is insufficiently connected to ideas, priorities, narratives and politics of people in resource-rich developing countries, limiting our ability to maintain strong partnerships, stay relevant in national/regional discussions and generate strong impact.	<ol style="list-style-type: none"> 1. Ensuring our policies, practices, programming and culture prioritize and respond to the voices and perspectives of partners and staff in the countries where we work. 2. Enhancing partnerships to ensure collaboration in the development of an evolving agenda for resource governance that reflects priorities of the Global South, stronger trust/ideas-generation with national and local actors. 3. Decentralizing the organization's center of power strategically and operationally, ensuring strong leadership from our regional teams.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Description	Mitigation
Protection of Assets	
Disaster (fire/ flood) leading to loss of essential assets or critical data.	<ol style="list-style-type: none">1. All systems are cloud-based with recurring backup performed.2. Individual laptops backup through OneDrive (Cloud-based).7. Relevant insurance is in place that includes anti-phishing trainings for all staff.
System issues (e.g., virus, hacked, unauthorized access, system down).	
Fraud Theft or misappropriation of assets.	<ol style="list-style-type: none">1. All payments require set-up / approval (segregation).2. Funds transferred to NRCL monthly, so limited funds on hand or accessible.3. Monthly bank reconciliations performed, with all individual transactions reviewed and approved centrally.5. Relevant insurance is in place.

PUBLIC BENEFIT

The trustees confirm that they have referred to the Charity Commission's general guidance on Public Benefit when reviewing and shaping the charity's aims and objectives for the year and planning future activities. The charity works to ensure that its programmes are inclusive, accessible, and responsive to the needs of its intended beneficiaries.

FUNDRAISING POLICY

The Charity does not carry out any external fundraising activities and did not receive any complaints.

RESERVES POLICY

The Trustees believe it is not necessary to mandate a specific level of reserves and introduce an independent reserve policy considering the cooperation agreement with NRG. NRG adopted a comprehensive reserves policy as of April 2019 that includes NRCL. The current reserve level is reviewed at each board meeting.

FINANCIAL REVIEW

Income for the year ended December 31, 2023, and 2022 was £1,924,716 and £1,778,028, respectively, comprising contributions from NRG. Expenses were £1,887,972 and £1,734,887, respectively, comprising primarily staff costs and office costs. Staff costs drove the increase in expenses as inflation was reflected in remuneration and headcount increased. This has resulted in a surplus of £46,011 (2022; £43,140) for the period and with the Net Assets of £98,963 (2022; 52,682). All income and expenditure in the year were unrestricted.

PLANS FOR THE FUTURE

NRCL staff have been implementing the NRG approved 2020-2025 strategic plan and work is currently underway in 2024 to design the 2025-2030 strategy. NRG will continue its role as an independent, global policy analysis and advocacy institute that works collaboratively to generate and translate knowledge into policy reform in resource-rich countries. NRG will share good practice, captured in the Natural Resource Charter as intellectual framework, through analysis of the evidence and contextually relevant tools and approaches.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

NRGI will strengthen local accountability actors, with an emphasis on civil society, to hold governments accountable and to contribute to policy reform by building their technical capacities and enabling access to key decision makers and influencers. NRGI will support reform-minded policy makers by providing credible analysis and evidence to make informed decisions in the best interests of current and future generations. NRGI will reinforce our work to build domestic capacity for change by targeting regional and global influencers.

NRCL staff will support the following strategic objectives:

To contribute to fair, prosperous and sustainable societies by advancing citizen and government efforts in resource-rich countries to:

- Drive systemic change to avoid harms from mining and equitably benefit from the responsible scale up of transition minerals necessary to avert global climate catastrophe.
- Build inclusive economies that end dependence on fossil fuels and advance a just energy transition for citizens.
- Manage revenues from natural resources accountably in response to citizen priorities.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of the charitable company for the purpose of company law, are responsible for preparing the Trustee Report and the accounts in accordance with applicable law in the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the income and expenditure of the charitable company of the period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the companies act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far we are aware, there is no relevant audit information of which the company's auditors are unaware. We have taken appropriate steps identify any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Haysmacintyre LLP have expressed their willingness to continue in service and offer themselves for re-appointment at the next annual General Meeting.

SMALL COMPANY NOTE

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

Signed by order of the Board of Trustees on



Meghna Abraham, Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

We have audited the financial statements of the Natural Resource Charter Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override. Audit procedures performed by the engagement team included:

- We undertook a number of audit procedures to verify the appropriateness of revenue recognition in the financial statements;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date

10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds	
	Notes	Totals 2023 £	Totals 2022 £
Income from:			
<i>Donations</i>		1,924,716	1,778,027
Total		<u>1,924,716</u>	<u>1,778,027</u>
Expenditure on:			
<i>Charitable activities</i>			
Direct charitable expenditure	3	1,878,705	1,734,887
Total		<u>1,878,705</u>	<u>1,734,887</u>
Net movement in funds		46,011	43,140
Reconciliations of funds			
Total funds brought forward		52,682	9,542
Total funds carried forward		<u><u>98,693</u></u>	<u><u>52,682</u></u>

All transactions are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

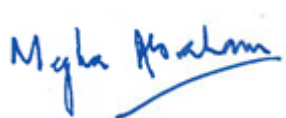
NATURAL RESOURCE CHARTER LIMITED**BALANCE SHEET**

AS AT 31 DECEMBER 2023

COMPANY NUMBER 07645971

	Notes	£	2023	£	£	2022	£
FIXED ASSETS							
Tangible fixed assets	6			15,996			7,634
CURRENT ASSETS							
Cash at Bank		61,680				24,315	
Debtors	7	119,358				117,016	
				<u>181,038</u>		<u>141,331</u>	
Creditors: Amounts falling due within one year	8	(98,341)				(96,283)	
NET CURRENT ASSETS				<u>82,697</u>		<u>45,048</u>	
NET ASSETS				<u>98,693</u>		<u>52,682</u>	
FUNDS							
Unrestricted funds							
General	10			98,693		52,682	
				<u>98,693</u>		<u>52,682</u>	

The financial statements were approved and authorised for issue by the Board of the Trustees on 30 May 2024 and were signed below on its behalf by:



Meghna Abraham, Chair of the Board

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Total funds 2023 £	Total funds 2022 £
Cash /inflows from operating activities	54,552	30,130
Cash flows from investing activities:		
Purchase of tangible fixed assets	(17,187)	(8,473)
Decrease in cash and cash equivalents in the reporting period	<u>37,365</u>	<u>21,657</u>
Cash and cash equivalents at the beginning of the reporting period	<u>24,315</u>	<u>2,658</u>
Cash and cash equivalents at the end of the reporting period	<u><u>61,680</u></u>	<u><u>24,315</u></u>
	2023	2022
	£	£
Reconciliation of net movement in funds to cash flow from operating activities		
Net movement in funds	46,011	43,140
Depreciation	8,693	839
(Increase) in debtors	(2,342)	(4,172)
Increase/(decrease) in creditors	2,189	(9,677)
Net cash used by operating activities	<u><u>54,552</u></u>	<u><u>30,130</u></u>
	2023	2022
	£	£
Analysis of cash and cash equivalents		
Cash in hand	<u>61,680</u>	<u>24,315</u>
Total cash and cash equivalents	<u><u>61,680</u></u>	<u><u>24,315</u></u>

Analysis of changes in net debt

	At 1 January 2023	Cash Flow	Other cash changes	At 31 December 2023
	£	£	£	£
Cash and bank	<u>24,315</u>	<u>37,365</u>	-	<u>61,680</u>

1. ACCOUNTING POLICIES

Basis of Preparation

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) – (Charities SORP (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Natural Resource Charter Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees consider that the charitable company's funding arrangement with its parent, NRGI, allows it to continue the operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Income

Incoming resources represent donations, including donated services received from the parent charity, NRGI, and is accounted for on a receivable basis. All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Charitable Expenditure

Charitable expenditure consists of all expenditure relating to the objective of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance Costs

Governance costs include expenditure on the governance of the Charity and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Fixed assets costing US\$1,000 or its equivalent in local currency or more, with a useful life of at least one year are capitalised. As an alternative to prorating the depreciation in the year of acquisition or disposal, the charity takes one half year of depreciation in both the years of acquisition and disposal. Depreciation is calculated by the straight-line of the estimated useful lives of the assets on the following basis

Fixtures & equipment	- 10 years
Computer equipment	- 3 years
Other office equipment	- 7 years
Website	- 5 years
Leasehold improvements	- Term of lease

Funds

General Funds are unrestricted funds which 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.

Pension

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES (continued)

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on Page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

Estimates and Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider depreciation to be subject to estimation and judgement.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

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.

Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2. NET MOVEMENT IN FUNDS

	2023	2022
	£	£
The net movement in funds is stated after charging:		
Auditor's fee	21,000	13,800
Depreciation	8,693	839
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2022: £Nil)

During the year, no Trustees received any benefits in-kind (2022: £Nil)

During the year, no Trustees received any reimbursements of expenses (2022: £Nil)

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. CHARITABLE ACTIVITIES	Direct Staff costs	Direct Other and Governance costs	Total 2023	Total 2022
	£	£	£	£
Technical advice, advocacy, applied research, policy analysis, and capacity development	1,403,154	475,551	1,878,705	1,734,887
Prior year comparative - 2022	<u>1,263,918</u>	<u>470,969</u>	<u>1,734,887</u>	<u>1,722,359</u>
4. GOVERNANCE COSTS			2023	2022
			£	£
Auditor's fee			21,000	13,800
			<u>21,000</u>	<u>13,800</u>
Governance costs have been allocated to charitable activities in full.				
5. STAFF COSTS AND NUMBERS			2023	2022
			£	£
Staff costs during the year were as follows:				
Wages and salaries			1,149,953	1,034,543
Social security costs			139,441	131,484
Pension costs			113,760	97,891
			<u>1,403,154</u>	<u>1,263,918</u>
The average number of full-time equivalent employees during the two years was as follows:			2023	2022
			Number	Number
Programmatic staff			12	12
Communications, administration and accounting			6	5
			<u>18</u>	<u>17</u>
The number of higher paid staff whose taxable emoluments fell into higher salary bands were:			2023	2022
			Number	Number
£60,001 - £70,000			2	2
£70,001 - £80,000			1	-
£80,001 - £90,000			1	1
£90,001 - £100,000			2	1
£100,001 - £110,000			2	1
£110,001 - £120,000			1	1
£120,001 - £130,000			-	-
£130,001 - £140,000			-	-

NRGI's senior management team is based in the US and their salaries are not included in these financial statements. The charitable company operates a defined contribution pension scheme. During the year contributions paid across totalled £113,760 (2022: £97,891). At the year-end there were outstanding contributions of £0 (2022: £0).

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Software £	Fixtures & Fittings	Other equipment £	Leasehold Improvements £	Total 2023 £
Cost						
At 1 January 2023	59,851	1,978	10,586	973	-	73,388
Additions		-		863	16,324	17,187
Disposal	(59,851)	(1,978)	(2,471)	(1,706)	-	(66,006)
At 31 December 2023	-	-	8,115	130	16,324	24,569
Depreciation						
At 1 January 2023	59,719	1,978	3,084	973	-	65,754
Charge for the year		-	816	780	7,097	8,693
Depreciation on disposal	(59,719)	(1,978)	(2,471)	(1,706)	-	(65,874)
At 31 December 2023	-	-	1,429	47	7,097	8,573
Net Book Value						
At 31 December 2023	-	-	6,686	83	9,227	15,996
At 31 December 2022	132	-	7,502	-	-	7,634

7. DEBTORS

	2023 £	2022 £
Prepayments	50,193	48,457
Advances to employees	2,085	1,479
Security deposits	67,080	67,080
	119,358	117,016

8. CREDITORS: amounts due within one year

	2023 £	2022 £
Trade creditors	55,901	49,394
Accrued expenses	42,571	46,889
	98,472	96,283

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total funds/ Unrestricted Funds £
Represented by:	
Fixed assets	15,996
Current assets	181,038
Current liabilities	(98,341)
Fund balances at 31 December 2023	98,693

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

10. FUNDS	Balance 1 January 2023 £	Income £	Expenditure £	Balance 31 December 2023 £
General Fund	52,682	1,924,716	(1,878,705)	98,693
Total unrestricted funds	<u>52,682</u>	<u>1,924,716</u>	<u>(1,878,705)</u>	<u>98,693</u>
FUNDS – COMPARATIVES 2022	Balance 1 January 2022 £	Income £	Expenditure £	Balance 31 December 2022 £
General Fund	9,542	1,778,027	(1,734,887)	52,682
Total unrestricted funds	<u>9,542</u>	<u>1,778,027</u>	<u>(1,734,887)</u>	<u>52,682</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The entity is a company limited by guarantee with no share capital. The company is controlled by its members who have equal voting rights.

12. OPERATING LEASE NOTE

The total of the future minimum lease payments at the end of the year are:

	2023 Leasehold £	2022 Leasehold £
Not later than 1 year	134,160	134,160
Later than 1 year and not later than 5 years	11,180	145,340
	<u>145,340</u>	<u>279,500</u>

13. RELATED PARTIES TRANSACTION

Natural Resource Governance Institute (NRGI), is a charity registered in the United States of America. There is a Cooperation Agreement between the entities. During the year, donations of £1,924,716 (2022: £1,778,028) was received from NRGI. There are no other related parties in the current or prior period.

NATURAL RESOURCE CHARTER LIMITED

England & Wales - Charity number 1144326

Accounts

NATURAL RESOURCE CHARTER LIMITED
TRUSTEES' REPORT FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

Registered Charity Number 1144326

Registered Company Number 07645971

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number 07645971

Registered Charity Number 1144326

**Principal and
Registered Office** Jasper House,
4-6 Copthall Avenue
3rd Floor
London
EC2R 7DA

Trustees Alan Detheridge
Joseph Charles Bell
Mark Henstridge
Meghna Abraham

Bankers Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are pleased to present their annual directors' report together with the financial statements of Natural Resource Charter Ltd (NRCL) for the year ending 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2019).

STRUCTURE, MANAGEMENT AND OBJECTIVES

The charitable company is controlled by its Memorandum and Articles of Association. It was incorporated on 24th May 2011 (Company Number 7645971) and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and is also registered as a charity (Charity Number 1144326).

The trustees are appointed by the Member, Natural Resource Governance Institute ("NRGI"). The charity provides induction materials for new members and training as required.

OBJECTIVES AND ACTIVITIES

The charity's objects ("Objects") are specifically restricted to the following:

To contribute to fair, prosperous and sustainable societies by advancing citizen and government efforts in resource-rich countries to:

- Drive systemic change to avoid harms from mining and equitably benefit from the responsible scale up of transition minerals necessary to avert global climate catastrophe.
- Build inclusive economies that end dependence on fossil fuels and advance a just energy transition for citizens.
- Manage revenues from natural resources accountably in response to citizen priorities.

NRCL provides policy advice and advocacy infused with lessons learned in the field and with insights developed through rigorous research. NRCL shares knowledge and experience freely with policymakers, accountability actors and the global campaign for improved international norms. NRCL is particularly well-placed to convene reform-oriented dialogue and to engage in constructive policy advocacy.

NRCL embraces multi-stakeholder approaches and remains focused on core competencies, such as the measurement and assessment of natural resource governance, drawing on signature initiatives like the Resource Governance Index and the Natural Resource Charter. At the country level NRCL provides training, technical assistance and support on how to deliver transparency and accountability, including through implementation of the Extractive Industries Transparency Initiative, and the use of data; strengthening fiscal systems; reform of state-owned enterprises; and improvements in the management of resource revenues. NRCL also promotes the uptake of global norms of transparency and governance. NRCL seeks to produce measurable change in the direction of more effective and more open management of natural resources.

NRCL staff work under a cooperation agreement with the Natural Resource Governance Institute (NRGI) its sole member, a U.S. registered charity, NRCL became active in November 2014 with the transfer of the UK operations of NRGI. In addition, employees of Open Society Foundation (Company Number 04571628) previously seconded to NRGI were transferred to NRCL. NRGI has adopted a strategic plan for the organisation that includes NRCL's proposed activities. NRCL's trustees have reviewed and approved this plan on behalf of NRCL. Through technical advice, advocacy, applied research, policy analysis, and capacity development, NRCL works with innovative agents of change within government ministries, civil society, the media, legislatures, the private sector, and international institutions to promote accountable and effective governance in the extractive industries. NRCL's staff have depth in capacity development and applied research and analysis.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENTS AND PERFORMANCE

The largest portion of the NRCL budget is devoted to staff salaries, benefits and associated occupancy expenses. Eighteen staff are based in the London office. NRCL includes employees from the Senior Management Team, both of NRGI's thematic teams (Governance Programs and Legal and Economic Programs) and the Communications and Operations teams. They support a variety of global level projects in their respective areas of purview, including external engagement with global institutions such as private sector entities and multilateral agencies, the undertaking of research and analysis, participating in major international convenings and leading NRGI's flagship research work and capacity building courses. They also support the implementation of strategies for all of NRGI's priority countries working in tandem with country staff. In particular:

- i) Members of the governance team lead our global advocacy work, in particular around transition minerals governance and anti-corruption.
- ii) Members of the legal and economic programs team lead our work on fiscal modelling, legal analysis, reform and our research on the energy transition.
- iii) Members of the operations team, including the finance and Human Resources team, support the operational backbone of NRGI.
- iv) Members of the fundraising team lead the organization's fundraising efforts and donor relations.
- v) A member of the senior management team the Managing Director, leads on organizational effectiveness and strategy and program design and implementation.

Throughout 2022, the work of NRCL staff led to numerous successes across the range of themes that NRGI focuses on, from anti-corruption, to licensing, energy transition, tax policy, revenue management and State Owned Enterprise (SOE) governance. NRGI analysis and direct engagement with civil society, governments and companies worldwide led to major progress around each element of our strategy. For example:

NRGI continued to grow the portfolio of work on the energy transition, which has major implications for countries that produce hydrocarbons or the minerals needed for new energy technologies. NRGI sent a delegation to the 2022 United Nations Climate Change Conference (UNFCCC COP 27) in Sharm el-Sheikh, Egypt, in order to raise the profile of equity and governance priorities for low- and middle-income countries navigating the energy transition. We achieved this through organization or participation in eight scheduled events, including on transition minerals governance, just energy transition finance, and the energy transition pathways for Africa; through dozens of one-to-one meetings with government delegates and work in coalition with partners and allies, including support to Publish What You Pay (PWYP) and the Global Gas and Oil Network (GGON), and; through media and communications, including a coveted high-profile press conference speaking slot on the final day of scheduled negotiations.

NRGI, in collaboration with the OECD Centre for Responsible Business Conduct and the Extractive Industries Transparency Initiative (EITI), convened a group of experts to work on the topic of corruption in transition mineral supply chains. Drawing on their shared expertise from civil society, academia, governments and international organizations, in early December the expert group published their key recommendations to tackle corruption in mineral supply chains, encouraging urgent action in this increasingly risky arena. (NRGI also produced a complementary video).

NRGI published its seventh update to the National Oil Company Database since its initial launch in 2019. The database now covers 11 years (2011–21) and has more than 100,000 individual data points on 71 state-owned companies. The value of this publication was demonstrated shortly after its refresh, when the Economist contacted NRGI about a story addressing energy transition strategies of Gulf national oil companies (NOCs). The resulting December 19, 2022, article uses data from NRGI's database in a graphic on the production, dependence and spending of a sample of NOCs.

NRGI raised the importance of governance and equity at COP27, flagging the "risky bets" that national oil companies are making as the energy transition gains momentum and highlighting the importance of the governance of transition minerals.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

KEY MANAGEMENT PERSONNEL

In 2022, NRGi's senior management team was based in the US, with the exception of the Senior Director of Programs, based in Colombia, and the Managing Director, based in the UK.. The President and CEO's pay is set by the Executive Committee of the Board using external benchmarking sources. Other staff pay is also set using external benchmarking of the applicable local market(s).

RISK REVIEW

NRGI has a centralized approach to risk management and also manages its insurance policies globally. In addition to the organisation-wide assessments of the operating environment (People, Property, Compliance, and Income), NRGi also reviews individual projects. The Project Leads carry out risk assessments for each project as it is launched, which are updated periodically.

The following table draws upon an internal risk register that is updated regularly as part of a larger dashboard for our board of directors. The table considers specific risks for NRCL, within the broader NRGi context. NRCL's income is entirely derived through a service agreement with its parent NRGi, with NRCL transactions chiefly concerning UK-based staff and the operating cost of the London office. While further risks are included in NRGi's internal risk register, the following table only presents risks with the highest potential likelihood and impact.

Description	Mitigation
Financial Risks	
Insufficient funding from donors to cover NRGi activities - Imminent risks include the end of the Luminate and Hewlett renewals in 2022 (declining endowments), and the OSF decline and exit after 2023.	<ol style="list-style-type: none">1. Continue to diversify donor pool.2. Further professionalize our development efforts.3. Review business model assumptions (including on staffing) and conduct scenario planning.4. Adapt NRGi's strategy to attract new funders.5. Consider indirect cost recovery in restricted funding budget.6. Increase NRGi's ability to price its offerings and leverage restricted funds.
People Risks	
Loss of key program staff - At the start of 2021 Suneeta Kaimal was named NRGi's CEO and President. In 2022, Gilbert F. Hounbo joined NRGi as Board chair. He is Director General of International Labour Organization and previously president of the International Fund for Agricultural Development.	<ol style="list-style-type: none">1. Ensure cross training among team members to create redundancy and limit risk when turnover occurs.2. Ensure robust information and knowledge management to facilitate transitions when they occur.3. Recruit for key vacancies that will deepen the staff bench.4. Engage with high performers to support professional development and job satisfaction.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

<p>Staff potentially exposed to harm in the course of performing their duties -</p>	<ol style="list-style-type: none"> 1. In 2022, International travel resumed. To protect the staff are required to confirm that they have read relevant guidance and alerts (including those related to medical necessities). 2. NRGi has global insurance, including for especial events during travels. 3. NRGi has medical evacuation and repatriation insurance for employees in need of serious medical attention in risk areas. 4. Emergency plans have been developed for all offices.
<p>Reputational Risks</p>	
<p>Strategic Relevance - In the context of the climate crisis and the acceleration of the green agenda brought on by Covid-19, NRGi needs to accelerate its pivot towards these issues to ensure its continues relevance</p>	<ol style="list-style-type: none"> 1. Invest in advancing NRGi's work on the energy transition. 2. Communications efforts will continue to reposition NRGi in the current context, examples including a recent 2020 series on Covid-19 and extractive impacts and ongoing work on the energy transition.
<p>Protection of Assets</p>	
<p>Disaster (fire/ flood) leading to loss of essential assets or critical data.</p>	<ol style="list-style-type: none"> 1. All systems are cloud-based with recurring backup performed. 2. Individual laptops backup through OneDrive (Cloud-based). 3. Relevant insurance is in place
<p>System issues (e.g. virus, hacked, unauthorized access, system down).</p>	<ol style="list-style-type: none"> 1. Protection pushed to laptops and related equipment. 2. IT Team monitors systems for risks and potential breaches. 3. Cloud backups occur. 4. Relevant insurance is in place.
<p>Fraud Theft or misappropriation of assets.</p>	<ol style="list-style-type: none"> 1. All payments require set-up / approval (segregation). 2. Funds transferred to NRCL monthly, so limited funds on hand or accessible. 3. Monthly bank reconciliations performed, with all individual transactions reviewed and approved centrally. 4. Relevant insurance is in place.

PUBLIC BENEFIT

The trustees confirm that they have referred to the Charity Commission's general guidance on Public Benefit when reviewing and shaping the charity's aims and objectives for the year and planning future activities. The charity works to ensure that its programmes are inclusive, accessible, and responsive to the needs of its intended beneficiaries.

FUNDRAISING POLICY

The Charity does not carry out any external fundraising activities and did not receive any complaints.

RESERVES POLICY

The Trustees believe it is not necessary to mandate a specific level of reserves and introduce an independent reserve policy in light of the cooperation agreement with NRGi. NRGi adopted a reserves policy as of April 2019 that would cover NRCL.

FINANCIAL REVIEW

Income for the year ended December 31, 2022, and 2021 was £1,778,028 and £1,780,925, respectively, comprising contributions from NRGi. Expenses were £1,744,378 and £1,772,359, respectively, comprising primarily staff costs and office costs. This has resulted in Net Assets of £43,191. All income and expenditure in the year were unrestricted.

PLANS FOR THE FUTURE

NRCL staff has implemented the NRGi approved new 2020-2025 strategic plan. NRGi will continue its role as an independent, global policy analysis and advocacy institute that works collaboratively to generate and translate knowledge into policy reform in resource-rich countries. NRGi will share good practice, captured in the Natural Resource Charter as intellectual framework, through analysis of the evidence and contextually relevant tools and approaches.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

NRGI will strengthen local accountability actors, with an emphasis on civil society, to hold governments accountable and to contribute to policy reform by building their technical capacities and enabling access to key decision makers and influencers. NRGI will support reform-minded policy makers by providing credible analysis and evidence to make informed decisions in the best interests of current and future generations. NRGI will reinforce our work to build domestic capacity for change by targeting regional and global influencers.

NRCL staff will support the following strategic objectives:

To contribute to fair, prosperous and sustainable societies by advancing citizen and government efforts in resource-rich countries to:

- Drive systemic change to avoid harms from mining and equitably benefit from the responsible scale up of transition minerals necessary to avert global climate catastrophe.
- Build inclusive economies that end dependence on fossil fuels and advance a just energy transition for citizens.
- Manage revenues from natural resources accountably in response to citizen priorities.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of the charitable company for the purpose of company law, are responsible for preparing the Trustee Report and the accounts in accordance with applicable law in the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to accounts for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the income and expenditure of the charitable company of the period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the companies act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far we are aware. there is no relevant audit information of which the company's auditors are unaware. We have taken appropriate steps identify any relevant audit information and to establish that the auditors are aware of that information.


AUDITORS

Haysmacintyre LLP have expressed their willingness to continue in service and offer themselves for re-appointment at the next annual General Meeting.

SMALL COMPANY NOTE

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

Signed by order of the Board of Trustees on 14th April, 2023


.....
Alan Detheridge, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

We have audited the financial statements of the Natural Resource Charter Limited for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override. Audit procedures performed by the engagement team included:

- We undertook a number of audit procedures to verify the appropriateness of revenue recognition in the financial statements;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date

10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds	
		Totals 2022 £	Totals 2021 £
Income from:			
<i>Donations</i>		1,778,027	1,780,925
Total		<u>1,778,027</u>	<u>1,780,925</u>
Expenditure on:			
<i>Charitable activities</i>			
Direct charitable expenditure	3	1,734,887	1,772,359
Total		<u>1,734,887</u>	<u>1,772,359</u>
Net movement in funds		43,140	8,566
Reconciliations of funds			
Total funds brought forward		9,542	976
Total funds carried forward		<u><u>52,682</u></u>	<u><u>9,542</u></u>

All transactions are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED


BALANCE SHEET

AS AT 31 DECEMBER 2022

COMPANY NUMBER 07645971

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	6		7,634		-
CURRENT ASSETS					
Cash at Bank		24,315		2,658	
Debtors	7	117,016		112,844	
		<u>141,331</u>		<u>115,502</u>	
Creditors: Amounts falling due within one year	8	(96,283)		(105,960)	
NET CURRENT ASSETS			45,048		9,542
NET ASSETS			<u>52,682</u>		<u>9,542</u>
FUNDS	10				
Unrestricted funds					
General			52,682		9,542
			<u>52,682</u>		<u>9,542</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 14th April, 2023 and were signed below on its behalf by:



 Alan Detheridge, Trustee

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Total funds 2022	Total funds 2021
	£	£
Cash (outflows)/inflows from operating activities	30,130	(12,941)
Cash flows from investing activities:		
Purchase of tangible fixed assets	(8,473)	-
Decrease in cash and cash equivalents in the reporting period	21,657	(12,941)
Cash and cash equivalents at the beginning of the reporting period	2,658	15,599
Cash and cash equivalents at the end of the reporting period	24,315	2,658
	2022	2021
	£	£
Reconciliation of net movement in funds to cash flow from operating activities		
Net movement in funds	43,140	8,566
Depreciation	839	13,443
(Increase)/decrease in debtors	(4,172)	11,877
Increase/(decrease) in creditors	(9,677)	(46,827)
Net cash used by operating activities	30,130	(12,941)
	2022	2021
	£	£
Analysis of cash and cash equivalents		
Cash in hand	24,315	2,658
Total cash and cash equivalents	24,315	2,658

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of Preparation

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) – (Charities SORP (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Natural Resource Charter Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees consider that the charitable company's funding arrangement with its parent, NRGI, allows it to continue the operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Income

Incoming resources represent donations, including donated services received from the parent charity, NRGI, and is accounted for on a receivable basis. All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Direct Charitable Expenditure

Direct charitable expenditure consists of all expenditure relating to the objective of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance Costs

Governance costs include expenditure on the governance of the Charity and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Fixed assets costing US\$1,000 or its equivalent in local currency or more, with a useful life of at least one year are capitalised. As an alternative to prorating the depreciation in the year of acquisition or disposal, the charity takes one half year of depreciation in both the years of acquisition and disposal. Depreciation is calculated by the straight-line of the estimated useful lives of the assets on the following basis

Fixtures & equipment	- 10 years
Computer equipment	- 3 years
Other office equipment	- 7 years
Website	- 5 years
Leasehold improvements	- Term of lease

Funds

General Funds are unrestricted funds which 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.

Pension

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on Page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

Estimates and Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider depreciation to be subject to estimation and judgement.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

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.

Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2. NET MOVEMENT IN FUNDS

	2022	2021
	£	£
The net movement in funds is stated after charging:		
Auditor's fee	13,800	12,000
Depreciation	839	13,443
	<u>14,639</u>	<u>25,443</u>

During the year, no Trustees received any remuneration (2021: £Nil)

During the year, no Trustees received any benefits in-kind (2021: £Nil)

During the year, no Trustees received any reimbursements of expenses (2021: £Nil)

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

3. CHARITABLE ACTIVITIES	Direct Staff costs	Direct Other and Governance costs	Total 2022	Total 2021
	£	£	£	£
Technical advice, advocacy, applied research, policy analysis, and capacity development	1,263,918	470,969	1,734,887	1,772,359
Prior year comparative - 2021	<u>1,392,863</u>	<u>379,496</u>	<u>1,772,359</u>	<u>1,569,992</u>

4. GOVERNANCE COSTS	2022 £	2021 £
Auditor's fee	13,800	12,000
	<u>13,800</u>	<u>11,400</u>

Governance costs have been allocated to charitable activities in full.

5. STAFF COSTS AND NUMBERS	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	1,034,543	1,147,471
Social security costs	131,484	128,453
Pension costs	97,891	116,939
	<u>1,263,918</u>	<u>1,392,863</u>

The average number of full-time equivalent employees during the two months was as follows:

	2022 Number	2021 Number
Programmatic staff	12	16
Communications, administration and accounting	5	2
	<u>17</u>	<u>18</u>

The number of higher paid staff whose taxable emoluments fell into higher salary bands were:

	2022 Number	2021 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	-	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	<u>1</u>	<u>1</u>

NRGI's senior management team is based in the US and their salaries are not included in these financial statements. The charitable company operates a defined contribution pension scheme. During the year contributions paid across totalled £97,891 (2021: £116,939). At the year-end there were outstanding contributions of £0 (2021: £0).

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Software £	Fixtures & Fittings £	Other equipment £	Total 2022 £
Cost					
At 1 January 2022	59,719	1,978	39,829	790	102,316
Additions	132	-	8,158	183	8,473
Disposal	-	-	(37,357)	-	(37,357)
At 31 December 2022	<u>59,851</u>	<u>1,978</u>	<u>10,630</u>	<u>973</u>	<u>73,431</u>
Depreciation					
At 1 January 2022	59,719	1,978	39,829	790	102,316
Charge for the year	44	-	612	183	839
Depreciation on disposal	-	-	(37,357)	-	(37,357)
At 31 December 2022	<u>59,763</u>	<u>1,978</u>	<u>3,084</u>	<u>973</u>	<u>65,797</u>
Net Book Value					
At 31 December 2022	<u>88</u>	<u>-</u>	<u>7,546</u>	<u>-</u>	<u>7,634</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

7. DEBTORS

	2022 £	2021 £
Prepayments	48,457	59,664
Other debtors	68,559	53,180
	<u>117,016</u>	<u>112,844</u>

8. CREDITORS: amounts due within one year

	2022 £	2021 £
Trade creditors	11,773	11,810
Accrued expenses	46,889	56,904
Other taxation and social security	37,621	37,246
	<u>96,283</u>	<u>105,960</u>

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total funds/ Unrestricted Funds £
Represented by:	
Fixed assets	7,634
Current assets	141,331
Current liabilities	(96,283)
Fund balances at 31 December 2022	<u>52,682</u>

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

10. FUNDS	Balance 1 January 2022 £	Income £	Expenditure £	Balance 31 December 2022 £
General Fund	9,542	1,778,027	(1,734,887)	52,682
Total unrestricted funds	<u>9,542</u>	<u>1,778,027</u>	<u>(1,734,887)</u>	<u>52,682</u>
FUNDS – COMPARATIVES 2021	Balance 1 January 2021 £	Income £	Expenditure £	Balance 31 December 2021 £
General Fund	976	1,780,925	(1,772,359)	9,542
Total unrestricted funds	<u>976</u>	<u>1,780,925</u>	<u>1,772,359</u>	<u>9,542</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The entity is a company limited by guarantee with no share capital. The company is controlled by its members who have equal voting rights.

12. OPERATING LEASE NOTE

The total of the future minimum lease payments at the end of the year are:

	2022 Leasehold £	2021 Leasehold £
Not later than 1 year	134,160	135,657
Later than 1 year and not later than 5 years	145,340	285,090
	<u>279,500</u>	<u>420,747</u>

13. RELATED PARTIES TRANSACTION

Natural Resource Governance Institute (NRGI), is a charity registered in the United States of America. There is a Cooperation Agreement between the entities. During the year, donations of £1,778,028 (2021: £1,780,925) was received from NRGI. There are no other related parties in the current or prior period.

NATURAL RESOURCE CHARTER LIMITED

England & Wales - Charity number 1144326

Accounts

NATURAL RESOURCE CHARTER LIMITED
TRUSTEES' REPORT FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

Registered Charity Number 1144326

Registered Company Number 07645971

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number 07645971

Registered Charity Number 1144326

**Principal and
Registered Office** 2nd Floor,
1 Knightrider Ct.
London
EC4V 5BJ

Trustees Alan Detheridge
Joseph Charles Bell
Mark Henstridge
Meghna Abraham (Appointed 1 January 2021)

Bankers Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are pleased to present their annual directors' report together with the financial statements of Natural Resource Charter Ltd (NRCL) for the year ending 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2015).

STRUCTURE, MANAGEMENT AND OBJECTIVES

The charitable company is controlled by its Memorandum and Articles of Association. It was incorporated on 24th May 2011 (Company Number 7645971) and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and is also registered as a charity (Charity Number 1144326).

The trustees are appointed by the Member, Natural Resource Governance Institute ("NRGI"). The charity provides induction materials for new members and training as required.

OBJECTIVES AND ACTIVITIES

The charity's objects ("Objects") are specifically restricted to the following:

To advance education for the public benefit in the management and use of non-renewable resources by governments and society in order to promote sustainable development, poverty reduction, and good governance, in particular but not exclusively by

- (1) the publication and dissemination of the Natural Resource Charter and other documents and materials to enhance transparency, effectiveness, and accountability for resource development, revenue management and public expenditures;
- (2) research regarding the use of natural resources and their revenues and the impacts of natural resources on development;
- (3) the provision of information, training and funding to individuals, journalists, civil society, policy makers, parliamentarians, and government officials, and
- (4) the convocation of meetings of governments, civil society, experts and others to inform the work of the charity and to disseminate the results of that work.

NRCL staff work under a cooperation agreement with the Natural Resource Governance Institute (NRGI) its sole member, a U.S. registered charity, NRCL became active in November 2014 with the transfer of the UK operations of NRGI. In addition, employees of Open Society Foundation (Company Number 04571628) previously seconded to NRGI were transferred to NRCL. NRGI has adopted a strategic plan for the organisation that includes NRCL's proposed activities. NRCL's trustees have reviewed and approved this plan on behalf of NRCL. Through technical advice, advocacy, applied research, policy analysis, and capacity development, NRCL works with innovative agents of change within government ministries, civil society, the media, legislatures, the private sector, and international institutions to promote accountable and effective governance in the extractive industries. NRCL's staff have particular depth in capacity development and applied research and analysis.

ACHIEVEMENTS AND PERFORMANCE

The largest portion of the NRCL budget is devoted to staff salaries, benefits and associated occupancy expenses. 15 staff are based in the London office. NRCL includes employees from all of NRGI's thematic teams (Research, Data and Learning; Governance Programs; Legal and Economic Programs; Communications and Support Services. They support a variety of global level projects in their respective areas of purview, including external engagement with global institutions such as private sector entities and multilateral agencies, the undertaking of research and analysis, participating in major international convenings and leading NRGI's flagship capacity building courses. They also support the implementation of strategies for all of NRGI's priority countries working in tandem with country staff. In particular:

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

- i) Members of the governance team lead our global advocacy work, in particular around commodity trading, beneficial ownership and payment disclosures. They are also spearheading our work on using that information for policy reform.
- ii) Members of the legal and economic programs team lead our work on fiscal modelling, legal analysis, reform and our research on the implementation gap.
- iii) Members of the research, data and learning team take on a range of responsibilities that cut across the organization. Members of the team lead the development of the Resource Governance Index and the management of our online platforms that organize data, such as the websites resourcecontracts.org, resourceprojects.org and resourcedata.org and lead our global courses and online learning. In September 2021 a strategic restructuring led to member of the research, and data and learning team joining either the governance or legal and economic team, to increase efficiencies.
- iv) Members of support services, including the Human Resources team, support the operational backbone of NRGI.
- v) Members of the fundraising team lead the organization's fundraising efforts and donor relations.
- vi) A member of the management team the Managing Director, leads on organizational effectiveness and strategy and program design and implementation.

Throughout 2021 and into early 2022, the work of NRCL staff led to numerous successes across the range of themes that NRGI focuses on, from anti-corruption, to licensing, energy transition, tax policy, revenue management and State Owned Enterprise (SOE) governance. NRGI analysis and direct engagement with governments and companies worldwide led to major progress around each element of our strategy, despite the significant challenges of another year rife with global shifts and the coronavirus pandemic.

NRGI continued to grow the portfolio of work on the energy transition, which has major implications for countries that produce hydrocarbons or the minerals needed for new energy technologies. NRCL staff published a commentary series on resource governance and the energy transition which drew on NRGI produced data platforms, such as the National Oil Company database. NRGI raised the importance of governance and equity at COP26, flagging the “risky bets” that national oil companies are making as the energy transition gains momentum. NRGI findings that USD 400 billion in planned investments in fossil fuel extraction won't break even if Paris agreement goals are to be met informed the benchmark Production Gap Report and guidance for climate activists. In 2021 NRGI also supported policy-makers and civil society to interrogate the impact of national oil company spending plans on economic sustainability in Ghana, Mexico, Latin America and the Middle East and North Africa.

In December 2021, following years of engagement by NRGI and partners Publish What You Pay and Oxfam America, the International Council on Mining and Metals announced a new position on contract transparency requiring its 28 member companies to disclose contracts signed with governments. This transparency requirement will apply to members representing about a third of the global mining industry, making it an important tool for increasing accountability around critical minerals.

NRGI published the 2021 Resource Governance Index (RGI), a free data tool that helps key stakeholders—government officials, staff at civil society organizations, oversight actors and private sector executives—to better understand the state of resource governance in countries around the world. In several countries NRGI has already seen the use of the index by partners and stakeholders in countries including Colombia, Guinea and Mongolia.

In Ghana, NRGI worked alongside civil society partners to make recommendations to the government regarding the proposed purchase of offshore oil assets from Aker Energy by state company GNPC. The coalition's goal was to ensure that officials, mindful of Ghana's significant debt burden, struck a good and fair deal that would bring benefits to citizens. The government has since reduced its valuation of the assets from USD 1.65 billion to 1.1 billion and plans to further evaluate the deal before taking a final decision.

Using NRGI's new anticorruption tool, the Mongolia Extractive Industries Transparency Initiative confronted conflicts of interests in the mining sector—issues at the heart of recent corruption-related controversies in the country. The diagnostic

process helped Mongolia EITI members identify specific solutions, such as strengthening collaboration with the anticorruption commission to verify the asset and income declarations of senior extractive sector officials.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

In Mexico, the executive proposed a controversial constitutional amendment on concessions for lithium and other strategic minerals. NRGi partnered with researchers and public officials from Mexico and across Latin America to convene public dialogue and share a comparative analysis of experiences in other countries. NRGi also detailed how new approaches to critical mineral extraction could usher in improvements to mining governance in Mexico.

In 2021 NRGi opened a new program in Senegal, supporting policy-makers and civil society actors to advance legal and regulatory reforms in both the mining and oil and gas sectors. NRCL staff help in contributing to ongoing debates, working in partnership with state-owned companies in the improvement of their transparency and accountability practices, and supporting civil society organizations and oversight actors who monitor the extractive sector.

KEY MANAGEMENT PERSONNEL

In 2021, NRGi's senior management team was based in the US, with the exception of the Managing Director, a new role created from September 2021. The President and CEO's pay is set by the Executive Committee of the Board using external benchmarking sources. Other staff pay is also set using external benchmarking of the applicable local market(s).

RISK REVIEW

NRGi has a centralized approach to risk management and also manages its insurance policies globally. In addition to the organisation-wide assessments of the operating environment (People, Property, Compliance, and Income), NRGi also reviews individual projects. The Project Leads carry out risk assessments for each project as it is launched, which are updated periodically.

The following table draws upon an internal risk register that is updated regularly as part of a larger dashboard for our board of directors. The table considers specific risks for NRCL, within the broader NRGi context. NRCL's income is entirely derived through a service agreement with its parent NRGi, with NRCL transactions chiefly concerning UK-based staff and the operating cost of the London office. While further risks are included in NRGi's internal risk register, the following table only presents risks with the highest potential likelihood and impact.

Description	Mitigation
Financial Risks	
Insufficient funding from donors to cover NRGi activities - Imminent risks include the end of the Luminare and Hewlett renewals in 2022 (declining endowments), and the OSF decline and exit after 2023.	<ol style="list-style-type: none"> 1. Continue to diversify donor pool. 2. Further professionalize our development efforts. 3. Review business model assumptions (including on staffing) and conduct scenario planning. 4. Adapt NRGi's strategy to attract new funders. 5. Consider indirect cost recovery in restricted funding budget. 6. Increase NRGi's ability to price its offerings and leverage restricted funds.
People Risks	
Loss of key program staff - At the start of 2021 Suneeta Kaimal was named NRGi's CEO and President. The board continues its search for a board chair.	<ol style="list-style-type: none"> 1. Ensure cross training among team members to create redundancy and limit risk when turnover occurs. 2. Ensure robust information and knowledge management to facilitate transitions when they occur. 3. Recruit for key vacancies that will deepen the staff bench. 4. Engage with high performers to support professional development and job satisfaction.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

<p>Staff potentially exposed to harm in the course of performing their duties - In the face of the ongoing coronavirus pandemic, NRGI staff in all locations face elevated risk.</p>	<ol style="list-style-type: none"> 1. Travel is currently suspended due to COVID. When travel resumes as part of the travel request process, staff are required to confirm that they have read relevant guidance and alerts (including those related to medical necessities). 2. NRGI has global insurance, including for kidnapping and ransom coverage. 3. NRGI has medical evacuation and repatriation insurance for employees in need of serious medical attention in risk areas. 4. Emergency plans have been developed for all offices.
<p>Reputational Risks</p>	
<p>Strategic Relevance - In the context of the climate crisis and the acceleration of the green agenda brought on by Covid-19, NRGI needs to accelerate its pivot towards these issues to ensure its continues relevance</p>	<ol style="list-style-type: none"> 1. Invest in advancing NRGI's work on the energy transition. 2. Communications efforts will continue to reposition NRGI in the current context, examples including a recent 2020 series on Covid-19 and extractive impacts and ongoing work on the energy transition.
<p>Protection of Assets</p>	
<p>Disaster (fire/ flood) leading to loss of essential assets or critical data.</p>	<ol style="list-style-type: none"> 1. All systems are cloud-based with recurring backup performed. 2. Individual laptops backup through OneDrive (Cloud-based). 3. Relevant insurance is in place
<p>System issues (e.g. virus, hacked, unauthorized access, system down).</p>	<ol style="list-style-type: none"> 1. Protection pushed to laptops and related equipment. 2. IT Team monitors systems for risks and potential breaches. 3. Cloud backups occur. 4. Relevant insurance is in place.
<p>Fraud Theft or misappropriation of assets.</p>	<ol style="list-style-type: none"> 1. All payments require set-up / approval (segregation). 2. Funds transferred to NRCL monthly, so limited funds on hand or accessible. 3. Monthly bank reconciliations performed, with all individual transactions reviewed and approved centrally. 4. Relevant insurance is in place.

PUBLIC BENEFIT

The trustees confirm that they have referred to the Charity Commission's general guidance on Public Benefit when reviewing and shaping the charity's aims and objectives for the year and planning future activities. The charity works to ensure that its programmes are inclusive, accessible, and responsive to the needs of its intended beneficiaries.

FUNDRAISING POLICY

The Charity does not carry out any external fundraising activities and did not receive any complaints.

RESERVES POLICY

The Trustees believe it is not necessary to mandate a specific level of reserves and introduce an independent reserve policy in light of the cooperation agreement with NRGI. NRGI adopted a reserves policy as of April 2019 that would cover NRCL.

FINANCIAL REVIEW

Income for the year ended December 31, 2021 and 2020 was £1,780,925 and £1,506,915, respectively, comprising contributions from NRG. Expenses were £1,772,359 and £1,569,992, respectively, comprising primarily staff costs and office costs. This has resulted in Net Assets of £9,542. All income and expenditure in the year were unrestricted.

PLANS FOR THE FUTURE

NRCL staff will implement the NRG approved new 2020-2025 strategic plan. NRG will continue its role as an independent, global policy analysis and advocacy institute that works collaboratively to generate and translate knowledge into policy reform in resource-rich countries. NRG will share good practice, captured in the Natural Resource Charter as an intellectual framework, through analysis of the evidence and contextually relevant tools and approaches.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

NRGI will strengthen local accountability actors, with an emphasis on civil society, to hold governments accountable and to contribute to policy reform by building their technical capacities and enabling access to key decision makers and influencers. NRG will support reform-minded policy makers by providing credible analysis and evidence to make informed decisions in the best interests of current and future generations. NRG will reinforce our work to build domestic capacity for change by targeting regional and global influencers.

NRCL staff will support the following strategic objectives:

- Licensing and fiscal systems are transparent, fair and help countries maximize the revenues available for development spending.
- Extractive sector revenues are managed in ways that serve long-term public interest and the economic sustainability of public finances, rather than short-term political or private agendas.
- Resource-rich countries advance rather than hinder the transition to cleaner energy. Countries rich in strategic minerals do not replicate misgovernance in that subsector.
- Governments and companies conduct sector operations in ways that reduce opportunities for corruption and capture, and anticorruption actors tackle extractive sector corruption more effectively.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of the charitable company for the purpose of company law, are responsible for preparing the Trustee Report and the accounts in accordance with applicable law in the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to accounts for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the income and expenditure of the charitable company of the period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the companies act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far we are aware. there is no relevant audit information of which the company's auditors are unaware. We have taken appropriate steps identify any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Haysmacintyre LLP have expressed their willingness to continue in service and offer themselves for re-appointment at the next annual General Meeting.

Signed by order of the Board of Trustees on



.....
Alan Detheridge, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

We have audited the financial statements of the Natural Resource Charter Limited for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override. Audit procedures performed by the engagement team included:

- We undertook a number of audit procedures to verify the appropriateness of revenue recognition in the financial statements;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date

10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds	
		Totals	Totals
		2021	2020
	Notes	£	£
Income from:			
<i>Donations</i>		1,780,925	1,506,915
Total		<u>1,780,925</u>	<u>1,506,915</u>
Expenditure on:			
<i>Charitable activities</i>			
Direct charitable expenditure	3	1,772,359	1,569,992
Total		<u>1,772,359</u>	<u>1,569,992</u>
Net movement in funds		8,566	(63,077)
Reconciliations of funds			
Total funds brought forward		976	64,053
Total funds carried forward		<u><u>9,542</u></u>	<u><u>976</u></u>

All transactions are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

COMPANY NUMBER 07645971

	Notes	£	2021	£	£	2020	£
FIXED ASSETS							
Tangible fixed assets	6			-			13,443
CURRENT ASSETS							
Cash at Bank			2,658			15,599	
Debtors	7		112,844			124,721	
			<u>115,502</u>			<u>140,320</u>	
Creditors: Amounts falling due within one year	8		(105,960)			(152,787)	
NET CURRENT ASSETS				9,542			(12,467)
NET ASSETS				<u>9,542</u>			<u>976</u>
FUNDS							
	10						
Unrestricted funds							
General				9,542			976
				<u>9,542</u>			<u>976</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on signed below on its behalf by:

and were

A. Detheridge

Alan Detheridge, Trustee

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Total funds 2021	Total funds 2020
	£	£
Cash (outflows)/inflows from operating activities	(12,941)	(9,879)
Cash flows from investing activities:		
Purchase of tangible fixed assets	-	(7,258)
Decrease in cash and cash equivalents in the reporting period	(12,941)	(17,136)
Cash and cash equivalents at the beginning of the reporting period	15,599	32,735
Cash and cash equivalents at the end of the reporting period	2,658	15,599
	<u>2,658</u>	<u>15,599</u>
		2021
		£
Reconciliation of net movement in funds to cash flow from operating activities		
Net movement in funds		8,566
Depreciation		13,443
Decrease/(increase) in debtors		11,877
(Decrease)/increase in creditors		(46,827)
Net cash used by operating activities		(12,941)
		<u>(12,941)</u>
		2020
		£
Analysis of cash and cash equivalents		
Cash in hand		2,658
Total cash and cash equivalents		15,599
		<u>2,658</u>
		<u>15,599</u>

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of Preparation

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) – (Charities SORP 2015 (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Natural Resource Charter Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees consider that the charitable company's funding arrangement with its parent, NRGI, allows it to continue the operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Income

Incoming resources represent donations, including donated services received from the parent charity, NRGI, and is accounted for on a receivable basis. All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Direct Charitable Expenditure

Direct charitable expenditure consists of all expenditure relating to the objective of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance Costs

Governance costs include expenditure on the governance of the Charity and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Fixed assets costing US\$1,000 or its equivalent in local currency or more, with a useful life of at least one year are capitalised. As an alternative to prorating the depreciation in the year of acquisition or disposal, the charity takes one half year of depreciation in both the years of acquisition and disposal. Depreciation is calculated by the straight-line of the estimated useful lives of the assets on the following basis

Fixtures & equipment	- 10 years
Computer equipment	- 3 years
Other office equipment	- 7 years
Website	- 5 years
Leasehold improvements	- Term of lease

Funds

General Funds are unrestricted funds which 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.

Pension

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on Page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

Estimates and Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider depreciation to be subject to estimation and judgement.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

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.

Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2. NET MOVEMENT IN FUNDS

	2021	2020
	£	£
The net movement in funds is stated after charging:		
Auditor's fee	12,000	11,400
Depreciation	13,443	6,453
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2020: £Nil)

During the year, no Trustees received any benefits in-kind (2020: £Nil)

During the year, no Trustees received any reimbursements of expenses (2020: £Nil)

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. CHARITABLE ACTIVITIES	Direct Staff costs	Direct Other and Governance costs	Total 2021	Total 2020
	£	£	£	£
Technical advice, advocacy, applied research, policy analysis, and capacity development	1,392,863	379,496	1,772,359	1,569,992
Prior year comparative - 2020	<u>1,186,527</u>	<u>383,465</u>	<u>1,569,992</u>	<u>1,778,715</u>

4. GOVERNANCE COSTS

	2021 £	2020 £
Auditor's fee	12,000	11,400
Legal fees	-	-
	<u>12,000</u>	<u>11,400</u>

Governance costs have been allocated to charitable activities in full.

5. STAFF COSTS AND NUMBERS

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	1,147,471	978,527
Social security costs	128,453	117,705
Pension costs	116,939	90,295
	<u>1,392,863</u>	<u>1,186,527</u>

The average number of full-time equivalent employees during the two months was as follows:

	2021 Number	2020 Number
Programmatic staff	16	13
Communications, administration and accounting	2	2
	<u>18</u>	<u>15</u>

The number of higher paid staff whose taxable emoluments fell into higher salary bands were:

	2021 Number	2020 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	2	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-

NRGI's senior management team is based in the US and their salaries are not included in these financial statements.

The charitable company operates a defined contribution pension scheme. During the year contributions paid across totalled £116,939 (2020: £90,295). At the year-end there were outstanding contributions of £0 (2020: £10,057).

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Software £	Fixtures & Fittings	Other equipment £	Total 2021 £
Cost					
At 1 January 2021	59,719	1,978	39,829	790	102,316
Additions	-	-	-	-	-
At 31 December 2021	59,719	1,978	39,829	790	102,316
Depreciation					
At 1 January 2021	53,025	1,978	33,080	790	88,873
Charge for the year	6,694	-	6,749	-	13,443
At 31 December 2021	59,719	1,978	39,829	790	102,316
Net Book Value					
At 31 December 2021	-	-	-	-	-
At 31 December 2020	6,694	-	6,749	-	13,443

7. DEBTORS

	2021 £	2020 £
Prepayments	59,664	67,382
Other debtors	53,180	57,339
	112,844	124,721

8. CREDITORS: amounts due within one year

	2021 £	2020 £
Trade creditors	11,810	2,297
Accrued expenses	56,904	107,733
Other taxation and social security	37,246	42,757
	105,960	152,787

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total funds/ Unrestricted Funds £
Represented by:	
Fixed assets	-
Current assets	115,502
Current liabilities	(105,960)
Fund balances at 31 December 2021	9,542

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

10. FUNDS	Balance 1 January 2021 £	Income £	Expenditure £	Balance 31 December 2021 £
General Fund	976	1,780,925	1,772,359	9,542
Total unrestricted funds	<u>976</u>	<u>1,780,925</u>	<u>1,772,359</u>	<u>9,542</u>
FUNDS – COMPARATIVES 2020	Balance 1 January 2020 £	Income £	Expenditure £	Balance 31 December 2020 £
General Fund	64,053	1,506,915	1,569,993	976
Total unrestricted funds	<u>64,053</u>	<u>1,506,915</u>	<u>1,569,993</u>	<u>976</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The entity is a company limited by guarantee with no share capital. The company is controlled by its members who have equal voting rights.

12. OPERATING LEASE NOTE

The total of the future minimum lease payments at the end of the year are:

	2021 Leasehold £	2020 Leasehold £
Not later than 1 year	135,657	207,228
Later than 1 year and not later than 5 years	285,090	51,807
	<u>420,747</u>	<u>259,035</u>

13. RELATED PARTIES TRANSACTION

Natural Resource Governance Institute (NRGI), is a charity registered in the United States of America. There is a Cooperation Agreement between the entities. During the year, donations and in-kind support of £1,776,616 (2020: £1,506,915) was received from NRGI.

NATURAL RESOURCE CHARTER LIMITED

England & Wales - Charity number 1144326

Accounts

NATURAL RESOURCE CHARTER LIMITED
TRUSTEES' REPORT FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Registered Charity Number 1144326

Registered Company Number 07645971

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number 07645971

Registered Charity Number 1144326

**Principal and
Registered Office** 2nd Floor,
1 Knightrider Ct.
London
EC4V 5BJ

Trustees Alan Detheridge
Anthony James Venables (Resigned 29 April 2020)
Joseph Charles Bell
Mark Henstridge
Meghna Abraham (Appointed 1 January 2021)

Bankers Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are pleased to present their annual directors' report together with the financial statements of Natural Resource Charter Ltd (NRCL) for the year ending 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2015).

STRUCTURE, MANAGEMENT AND OBJECTIVES

The charitable company is controlled by its Memorandum and Articles of Association. It was incorporated on 24th May 2011 (Company Number 7645971) and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and is also registered as a charity (Charity Number 1144326).

The trustees are appointed by the Member, Natural Resource Governance Institute ("NRGI"). The charity provides induction materials for new members and training as required.

OBJECTIVES AND ACTIVITIES

The charity's objects ("Objects") are specifically restricted to the following:

To advance education for the public benefit in the management and use of non-renewable resources by governments and society in order to promote sustainable development, poverty reduction, and good governance, in particular but not exclusively by

- (1) the publication and dissemination of the Natural Resource Charter and other documents and materials to enhance transparency, effectiveness, and accountability for resource development, revenue management and public expenditures;
- (2) research regarding the use of natural resources and their revenues and the impacts of natural resources on development;
- (3) the provision of information, training and funding to individuals, journalists, civil society, policy makers, parliamentarians, and government officials, and
- (4) the convocation of meetings of governments, civil society, experts and others to inform the work of the charity and to disseminate the results of that work.

NRCL staff work under a cooperation agreement with the Natural Resource Governance Institute (NRGI) its sole member, a U.S. registered charity, NRCL became active in November 2014 with the transfer of the UK operations of NRGI. In addition, employees of Open Society Foundation (Company Number 04571628) previously seconded to NRGI were transferred to NRCL. NRGI has adopted a strategic plan for the organisation that includes NRCL's proposed activities. NRCL's trustees have reviewed and approved this plan on behalf of NRCL. Through technical advice, advocacy, applied research, policy analysis, and capacity development, NRCL works with innovative agents of change within government ministries, civil society, the media, legislatures, the private sector, and international institutions to promote accountable and effective governance in the extractive industries. NRCL's staff have particular depth in capacity development and applied research and analysis.

ACHIEVEMENTS AND PERFORMANCE

The largest portion of the NRCL budget is devoted to staff salaries, benefits and associated occupancy expenses. 15 staff are based in the London office. NRCL includes employees from all of NRGI's thematic teams (Research, Data and Learning; Governance Programs; Legal and Economic Programs; Communications and Support Services. They support a variety of global level projects in their respective areas of purview, including external engagement with global institutions such as private sector entities and multilateral agencies, the undertaking of research and analysis, participating in major international convenings and leading NRGI's flagship capacity building courses. They also support the implementation of strategies for all of NRGI's priority countries working in tandem with country staff. In particular:

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

- i) Members of the governance team lead our global advocacy work, in particular around commodity trading, beneficial ownership and payment disclosures. They are also spearheading our work on using that information for policy reform.
- ii) Members of the research, data and learning team lead the development of the Resource Governance Index and the management of our online platforms that organize data, such as the websites resourcecontracts.org, resourceprojects.org and resourcedata.org. Capacity development staff who have been newly integrated into this team lead our global advanced courses and online learning.
- iii) Members of the legal and economic programs team lead our work on fiscal modelling, legal analysis, reform and our research on the implementation gap.
- iv) Members of support services, including the IT Manager and the HR Manager support the operational backbone of NRCI.
- v) Members of the development team lead the organization's fundraising efforts and donor relations.
- vi) Members of the management team, including the Senior Director for Regional Programs, and the Interim President and CEO lead on strategy implementation, fundraising and program development and external outreach to partners.

Throughout 2020 and into early 2021, the work of NRCL staff led to numerous successes, in terms of both improved disclosures and policies across the range of themes that NRCI focuses on, from anti-corruption, to licensing, energy transition, tax policy, revenue management and State Owned Enterprise (SOE) governance.

NRCI analysis and direct engagement with governments and companies worldwide led to major progress around each element of our updated strategy, despite the significant challenges of a year rife with global shifts and the coronavirus pandemic.

NRCI published cross-country analyses of government responses to the fiscal challenges posed by the coronavirus and related swings in commodity prices. To facilitate this work, we continued to draw on our National Oil Company Database as an analytical tool. These quick analyses often led to action—in Ghana, NRCI was able to support and work alongside civil society in preventing risky government pandemic response proposals, including the controversial Agyapa gold royalties deal.

Our innovative research on resource-backed loans (RBLs), “Resource-Backed Loans: Pitfalls and Potential,” shined a global spotlight on the challenges of these controversial financial instruments. This research went on to help facilitate greater transparency in Guinea regarding a previously opaque RBL.

In addition, NRCI contributed to tax policy reforms that have the potential to increase government revenue in Tanzania and Uganda. In Guinea, Lebanon and Tunisia we supported policy changes that have led to greater transparency through disclosures of information. In the DRC, long-term engagement to enhance civil society's capacity to hold the extractives sector accountable has directly led to the uncovering and scrutinizing of potentially corrupt practices.

Critically, our growing portfolio of work on the energy transition began to yield results. We supported civil society to engage growing questions of critical mineral extraction in countries such as Uganda, and we encouraged the government of Ghana to account for the implications of a future less reliant on fossil fuels. We also sought to prevent backsliding on environmental standards of existing extractives projects with an awareness that the energy transition is on the horizon, and we began to make progress on the issue in Latin America.

On the global level, we supported significant improvements to global standards for commodity trading guidelines and reporting requirements at the Extractive Industries Transparency Initiative (EITI). We used our expertise to influence standards of the EITI, Global Reporting Initiative (GRI), and the Organization for Economic Co-operation and Development (OECD) to bring energy transition issues to the fore of these norm-setting bodies. NRCI also worked alongside these partners to facilitate stronger standards and focus on anti-corruption issues. In the private sector, NRCI shared recommendations and facilitated dialogue on strategies to lessen corruption risks when doing business with state-owned enterprises.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

KEY MANAGEMENT PERSONNEL

In 2020, NRGi's senior management team was based in the US. The President and CEO's pay is set by the Executive Committee of the Board using external benchmarking sources. Other staff pay is also set using external benchmarking of the applicable local market(s).

RISK REVIEW

NRGI has a centralized approach to risk management and also manages its insurance policies globally. In addition to the organisation-wide assessments of the operating environment (People, Property, Compliance, and Income), NRGi also reviews individual projects. The Project Leads carry out risk assessments for each project as it is launched, which are updated periodically.

The following table draws upon an internal risk register that is updated regularly as part of a larger dashboard for our board of directors. The table considers specific risks for NRCL, within the broader NRGi context. NRCL's income is entirely derived through a service agreement with its parent NRGi, with NRCL transactions chiefly concerning UK-based staff and the operating cost of the London office. While further risks are included in NRGi's internal risk register, the following table only presents risks with the highest potential likelihood and impact.

Description	Mitigation
Financial Risks	
<p>Insufficient funding from donors to cover NRGi activities - Imminent risks include the end of the Luminare and Hewlett renewals in 2022 (declining endowments), and the OSF decline and exit after 2023.</p>	<ol style="list-style-type: none"> 1. Continue to diversify donor pool. 2. Further professionalize our development efforts. 3. Review business model assumptions (including on staffing) and conduct scenario planning. 4. Adapt NRGi's strategy to attract new funders. 5. Consider indirect cost recovery in restricted funding budget. 6. Increase NRGi's ability to price its offerings and leverage restricted funds.
People Risks	
<p>Loss of key program staff - At the start of 2021 Suneeta Kaimal was named NRGi's CEO and President. The board continues its search for a board chair.</p>	<ol style="list-style-type: none"> 1. Ensure cross training among team members to create redundancy and limit risk when turnover occurs. 2. Ensure robust information and knowledge management to facilitate transitions when they occur. 3. Recruit for key vacancies that will deepen the staff bench. 4. Engage with high performers to support professional development and job satisfaction.
<p>Staff potentially exposed to harm in the course of performing their duties - In the face of the ongoing coronavirus pandemic, NRGi staff in all locations face elevated risk.</p>	<ol style="list-style-type: none"> 1. Travel is currently suspended due to COVID. When travel resumes as part of the travel request process, staff are required to confirm that they have read relevant guidance and alerts (including those related to medical necessities). 2. NRGi has global insurance, including for kidnapping and ransom coverage. 3. NRGi has medical evacuation and repatriation insurance for employees in need of serious medical attention in risk areas. 4. Emergency plans have been developed for all offices.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Reputational Risks	
Strategic Relevance - In the context of the climate crisis and the acceleration of the green agenda brought on by Covid-19, NRGI needs to accelerate its pivot towards these issues to ensure its continues relevance	<ol style="list-style-type: none">1. Invest in advancing NRGI's work on the energy transition.2. Communications efforts will continue to reposition NRGI in the current context, examples including a recent 2020 series on Covid-19 and extractive impacts and ongoing work on the energy transition.
Protection of Assets	
Disaster (fire/ flood) leading to loss of essential assets or critical data.	<ol style="list-style-type: none">1. All systems are cloud-based with recurring backup performed.2. Individual laptops backup through OneDrive (Cloud-based).3. Relevant insurance is in place
System issues (e.g. virus, hacked, unauthorized access, system down).	<ol style="list-style-type: none">1. Protection pushed to laptops and related equipment.2. IT Team monitors systems for risks and potential breaches.3. Cloud backups occur.4. Relevant insurance is in place.
Fraud Theft or misappropriation of assets.	<ol style="list-style-type: none">1. All payments require set-up / approval (segregation).2. Funds transferred to NRCL monthly, so limited funds on hand or accessible.3. Monthly bank reconciliations performed, with all individual transactions reviewed and approved centrally.4. Relevant insurance is in place.

PUBLIC BENEFIT

The trustees confirm that they have referred to the Charity Commission's general guidance on Public Benefit when reviewing and shaping the charity's aims and objectives for the year and planning future activities. The charity works to ensure that its programmes are inclusive, accessible, and responsive to the needs of its intended beneficiaries.

FUNDRAISING POLICY

The Charity does not carry out any external fundraising activities and did not receive any complaints.

RESERVES POLICY

The Trustees believe it is not necessary to mandate a specific level of reserves and introduce an independent reserve policy in light of the cooperation agreement with NRGI. NRGI adopted a reserves policy as of April 2019 that would cover NRCL.

FINANCIAL REVIEW

Income for the year ended December 31, 2020 and 2019 was £1,506,915 and £1,805,366, respectively, comprising contributions from NRGI. Expenses were £1,569,993 and £1,778,715, respectively, comprising primarily staff costs and office costs. This has resulted in Net Assets of £976. All income and expenditure in the year were unrestricted.

PLANS FOR THE FUTURE

NRCL staff will implement the NRGI approved new 2020-2025 strategic plan. NRGI will continue its role as an independent, global policy analysis and advocacy institute that works collaboratively to generate and translate knowledge into policy reform in resource-rich countries. NRGI will share good practice, captured in the Natural Resource Charter as an intellectual framework, through analysis of the evidence and contextually relevant tools and approaches. NRGI will strengthen local accountability actors, with an emphasis on civil society, to hold governments accountable and to contribute to policy reform by building their technical capacities and enabling access to key decision makers and influencers. NRGI will support reform-minded policy makers by providing credible analysis and evidence to make informed decisions in the best interests of current and future generations. NRGI will reinforce our work to build domestic capacity for change by targeting regional and global influencers.

NATURAL RESOURCE CHARTER LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

NRCL staff will support the following strategic objectives:

- Licensing and fiscal systems are transparent, fair and help countries maximize the revenues available for development spending.
- Extractive sector revenues are managed in ways that serve long-term public interest and the economic sustainability of public finances, rather than short-term political or private agendas.
- Resource-rich countries advance rather than hinder the transition to cleaner energy. Countries rich in strategic minerals do not replicate misgovernance in that subsector.
- Governments and companies conduct sector operations in ways that reduce opportunities for corruption and capture, and anticorruption actors tackle extractive sector corruption more effectively.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of the charitable company for the purpose of company law, are responsible for preparing the Trustee Report and the accounts in accordance with applicable law in the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to accounts for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the income and expenditure of the charitable company of the period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the companies act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far we are aware, there is no relevant audit information of which the company's auditors are unaware. We have taken appropriate steps identify any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

haysmacintyre have expressed their willingness to continue in service and offer themselves for re-appointment at the next annual General Meeting.

Signed by order of the Board of Trustees on 13th May 2021



.....
Alan Detheridge, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

We have audited the financial statements of the Natural Resource Charter Limited for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATURAL RESOURCE CHARTER LIMITED

- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override. Audit procedures performed by the engagement team included:

- We undertook a number of audit procedures to verify the appropriateness of revenue recognition in the financial statements;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 17 May 2021

10 Queen Street Place
London
EC4R 1AG

NATURAL RESOURCE CHARTER LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds	
		Totals	Totals
	Notes	2020	2019
		£	£
Income from:			
<i>Donations</i>		1,506,915	1,805,366
Total		<u>1,506,915</u>	<u>1,805,366</u>
Expenditure on:			
<i>Charitable activities</i>			
Direct charitable expenditure	3	1,569,992	1,778,715
Total		<u>1,569,993</u>	<u>1,778,715</u>
Net movement in funds		(63,077)	26,651
Reconciliations of funds			
Total funds brought forward		64,053	37,402
Total funds carried forward		<u>976</u>	<u>64,053</u>

All transactions are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

COMPANY NUMBER 07645971

	Notes	£	2020	£	£	2019	£
FIXED ASSETS							
Tangible fixed assets	6			13,443			12,638
CURRENT ASSETS							
Cash at Bank		15,599				32,735	
Debtors	7	124,721				118,351	
				<u>140,320</u>		<u>151,086</u>	
Creditors: Amounts falling due within one year	8	(152,787)				(99,671)	
NET CURRENT ASSETS				<u>(12,467)</u>			<u>55,415</u>
NET ASSETS				<u>976</u>			<u>64,053</u>
FUNDS							
	10						
Unrestricted funds							
General				976			64,053
				<u>976</u>			<u>64,053</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 13th May 2021 and were signed below on its behalf by:

.....
Alan Detheridge, Trustee

The accompanying notes form part of these financial statements.

NATURAL RESOURCE CHARTER LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Total funds 2020	Total funds 2019
	£	£
Cash (outflows)/inflows from operating activities	(9,879)	(130,531)
Cash flows from investing activities:		
Purchase of tangible fixed assets	(7,258)	-
Decrease in cash and cash equivalents in the reporting period	(17,136)	(130,531)
Cash and cash equivalents at the beginning of the reporting period	32,735	163,266
Cash and cash equivalents at the end of the reporting period	15,599	32,735
	<u>15,599</u>	<u>32,735</u>
		2020
		2019
		£
		£
Reconciliation of net movement in funds to cash flow from operating activities		
Net movement in funds		(63,077)
Depreciation		6,453
(Increase)/Decrease in debtors		(6,370)
(Decrease)/increase in creditors		53,115
Net cash used by operating activities		(9,879)
		<u>(9,879)</u>
		<u>(130,531)</u>
		2020
		2019
		£
		£
Analysis of cash and cash equivalents		
Cash in hand		15,599
Total cash and cash equivalents		32,735
		<u>15,599</u>
		<u>32,735</u>

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of Preparation

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) – (Charities SORP 2015 (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Natural Resource Charter Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Trustees consider that the charitable company's funding arrangement with its parent, NRGI, allows it to continue the operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Income

Incoming resources represent donations, including donated services received from the parent charity, NRGI, and is accounted for on a receivable basis. All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Direct Charitable Expenditure

Direct charitable expenditure consists of all expenditure relating to the objective of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance Costs

Governance costs include expenditure on the governance of the Charity and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Fixed assets costing US\$1,000 or its equivalent in local currency or more, with a useful life of at least one year are capitalised. As an alternative to prorating the depreciation in the year of acquisition or disposal, the charity takes one half year of depreciation in both the years of acquisition and disposal. Depreciation is calculated by the straight-line of the estimated useful lives of the assets on the following basis

Fixtures & equipment	- 10 years
Computer equipment	- 3 years
Other office equipment	- 7 years
Website	- 5 years
Leasehold improvements	- Term of lease

Funds

General Funds are unrestricted funds which 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.

Pension

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on Page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

Estimates and Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider depreciation to be subject to estimation and judgement.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

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.

Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2. NET MOVEMENT IN FUNDS

	2020	2019
	£	£
The net movement in funds is stated after charging:		
Auditor's fee	11,400	11,040
Depreciation	6,453	8,514
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2019: £Nil)

During the year, no Trustees received any benefits in-kind (2019: £Nil)

During the year, no Trustees received any reimbursements of expenses (2019: £Nil)

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. CHARITABLE ACTIVITIES	Direct Staff costs	Direct Other and Governance costs	Total 2020	Total 2019
	£	£	£	£
Technical advice, advocacy, applied research, policy analysis, and capacity development	1,186,527	383,465	1,569,992	1,778,715
Prior year comparative - 2019	<u>1,146,950</u>	<u>631,765</u>	<u>1,778,715</u>	<u>1,917,588</u>

4. GOVERNANCE COSTS	2020 £	2019 £
Auditor's fee	11,400	11,040
Legal fees	-	-
	<u>11,400</u>	<u>11,040</u>

Governance costs have been allocated to charitable activities in full.

5. STAFF COSTS AND NUMBERS	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	978,527	939,310
Social security costs	117,705	113,285
Pension costs	90,295	94,355
	<u>1,186,527</u>	<u>1,146,950</u>

The average number of full-time equivalent employees during the two months was as follows:

	2020 Number	2019 Number
Programmatic staff	13	13
Communications, administration and accounting	2	2
	<u>15</u>	<u>15</u>

The number of higher paid staff whose taxable emoluments fell into higher salary bands were:

	2020 Number	2019 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	3	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	2
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

NRGI's senior management team is based in the US and their salaries are not included in these financial statements. The charitable company operates a defined contribution pension scheme. During the year contributions paid across totalled £90,295 (2019: £94,355). At the year-end there were outstanding contributions of £10,057 (2019: £8,445).

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Software £	Fixtures & Fittings	Other equipment £	Total 2020 £
Cost					
At 1 January 2020	52,461	1,978	39,829	790	95,058
Additions	7,258	-	-	-	7,258
At 31 December 2020	59,719	1,978	39,829	790	102,316
Depreciation					
At 1 January 2020	49,834	1,880	29,916	790	75,797
Charge for the year	3,191	98	3,164	-	6,453
At 31 December 2020	53,025	1,978	33,080	790	88,873
Net Book Value					
At 31 December 2020	6,694	-	6,749	-	13,443
At 31 December 2019	2,627	98	9,913	-	12,638

7. DEBTORS

	2020 £	2019 £
Prepayments	67,382	63,811
Other debtors	57,339	54,540
	124,721	118,351

8. CREDITORS: amounts due within one year

	2020 £	2019 £
Trade creditors	2,297	3,427
Accrued expenses	107,733	64,654
Other taxation and social security	42,757	31,590
	152,787	99,671

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total funds/ Unrestricted Funds £
Represented by:	
Fixed assets	13,443
Current assets	140,320
Current liabilities	(152,787)
Fund balances at 31 December 2020	976

NATURAL RESOURCE CHARTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

10. FUNDS	Balance 1 January 2020 £	Income £	Expenditure £	Balance 31 December 2020 £
General Fund	64,053	1,506,915	1,569,993	976
Total unrestricted funds	<u>64,053</u>	<u>1,506,915</u>	<u>1,569,993</u>	<u>976</u>
FUNDS – COMPARATIVES 2019	Balance 1 January 2019 £	Income £	Expenditure £	Balance 31 December 2019 £
General Fund	37,402	1,805,366	1,778,715	64,053
Total unrestricted funds	<u>37,402</u>	<u>1,805,366</u>	<u>1,778,715</u>	<u>64,053</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a fully controlled subsidiary of Natural Resource Governance Institute (NRGI), a charity registered in the United States of America. During the year, donations and in-kind support of £1,506,915 (2019: £1,805,366) was received from NRGI.

12. OPERATING LEASE NOTE

The total of the future minimum lease payments at the end of the year are:

	2020 Leasehold £	2019 Leasehold £
Not later than 1 year	207,228	138,152
Later than 1 year and not later than 5 years	51,807	259,035
	<u>259,035</u>	<u>397,187</u>