

**On the Edge Conservation
Group Reports and Financial Statements**

For the year ended 31 December 2022

Charity registration number: 1163124
Company registration number: 09646831

On The Edge Conservation

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For the year ended 31 December 2022

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On The Edge Conservation

Details

For the year ended 31 December 2022

Charity registration number	1163124
Company registration number	09646831
Trustees	Beth Blood David Blood Alexander Marshall Lara Legassick Tamara Arnold (resigned 13 May 2022)
Registered office	25 Ives Street Chelsea, London SW3 2ND
Independent Auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Solicitor	Bates Wells and Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Bankers	Handlesbanken 2 nd Floor 125 Kensington High Street London W8 5SF

On The Edge Conservation

Trustees' Annual Report

For the year ended 31 December 2022

The Trustees, who are also Directors of the company for the purposes of the Companies Act 2006, present their report and the audited financial statements of the group and charity for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 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.

Trustees of the charity

The directors of the charitable company are its Trustees for the purposes of charity law. The Board of Trustees, that meets four times a year, administers the Charity in accordance with the Articles of Association and the Charity Governance Code as applicable to the size of the charity.

Trustees serve for a term of three years and may be appointed for two further terms (9 years); or longer if agreed by the Board. Open positions are advertised on the charity's website, inviting applications, with appointments being made after interview with the Chair (or delegated Trustee). Newly appointed Trustees receive a letter of appointment and an induction pack.

The Board has a wide skills base and cross-sector experience. Each Board member is required to declare any interests, directorships or positions which may conflict with any actual or proposed arrangements with the charity. Such interests are reviewed and authorised annually. Training needs are assessed and met as required.

Objects

The Charity's objects are:

- To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment and the conservation and protection of endangered species or flora and fauna.
- To advance the education of the public in the conservation, protection and improvement of the physical and natural environment and the conservation and protection of endangered species or flora and fauna.

Goals

Our goal is to reconnect humanity with nature by presenting humanity with the awe, wonder and complexity of the natural world. To transform the way, we treat nature we need to see, acknowledge and respect the natural world.

On the Edge is committed to reconnecting humanity with the natural world. We do this by changing the narrative for nature using entertainment and popular culture storytelling. Only by experiencing the awe, wonder, complexity and interconnectedness of the natural world will we see, acknowledge and respect it. Achieving this in the first instance will make saving and restoring species and eco systems attainable.

Key achievements in the financial year:

- A new brand for On the Edge was launched together with a new website, capturing our unique approach and vision.
- Our new short form flagship campaign, Animals in Therapy (AiT) launched in September 2022 across all our digital channels (YouTube, Instagram and our website). Over 950,000 views were achieved during the campaign.

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Trustees' Annual Report

For the year ended 31 December 2022

- Released a third cohort of Creators on the Edge where we focused on the connection between mental health and the environment and intelligence in other forms of life. We were thrilled with the results with one post receiving over 1,100 comments.
- On the Edge attended the Convention on Biological Diversity (CBD) COP15 in Montreal to make the case for EDGE species and Zones to be included in the biodiversity framework. We are happy to say that Goal A of the framework mentions the safeguarding of genetic diversity and the Sentiment Tracker was referenced in the final CBD Communication Strategy adopted.

Future Plans

On the Edge balances its activities between nature-promoting media and games, grants, and high-impact campaigns that tie together our media and conservation work. Broadly we are focused on two workstreams:

Storytelling

On the Edge is producing content for different platforms using a variety of storytelling techniques. Efforts are currently focused on:

- Production of short and long form content to shine a light on the awe and wonder of nature using mainstream methods.
- Growing and evolving our mobile gaming slate.
- Supporting social media content creators and partnerships to expand our reach

Natural History

We have a particular interest in Evolutionarily Distinct and Globally Endangered (EDGE) species. They represent the most unique and threatened lineages on the planet yet are often overlooked by conservationists. On the Edge provides financial support and guidance to local conservationists, organisations and communities, which includes building the capacity of in-country conservationists and promote community co-existence with wildlife and nature.

EDGE Zones is another area of particular interest. Campaign grants for this initiative are aimed at achieving conservation outcomes and raising awareness of EDGE zones as important biodiversity hotspots. These grants support a mixture of storytelling initiatives and local on the ground conservation efforts.

As our team continues to grow there was a need to increase collaboration between science and communications. On the Edge has restructured the science and conservation team to focus on Natural History. This will help drive forward our storytelling and regional campaigns.

We are a strategic single-issue pro-active funder, meaning that we seek out potential grantees with activities that align with one or more of our thematic aims. This is done through in-house expertise and institutional connections within the philanthropic and conservation sectors. We do not accept unsolicited requests for funding.

Public benefit statement

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Structure, governance and management

On The Edge Conservation was incorporated as a charitable company limited by guarantee on 18 June 2015 (Reg. No. 9646831) and registered as a charity on 13 August 2015 (Reg. No. 1163124). OTE Productions Limited (formally On The Edge Productions Limited) (Reg. No. 9660075) is a wholly owned subsidiary of On the Edge Conservation. This entity holds 100% of the rights to the animated TV series and any future ancillary initiatives related to the brand. OTEP Limited (Reg. No. 9714151) is a wholly owned subsidiary of OTE Productions Limited and is the production vehicle

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Trustees' Annual Report

For the year ended 31 December 2022

for the first season of the animated TV show. OTEP 2 Limited (Reg. No. 12736225) is also a wholly owned subsidiary of OTE Productions Limited and is the production vehicle for the motion capture YouTube channel.

Day to day management of the activities is carried out by the Beth Blood and the support of the team.

Risk Review

The Trustees have assessed the major risks to which the charity is exposed, including those relating to financial, operational, compliance and governance issues. The Trustees review risks annually and are satisfied those systems are in place to mitigate exposure to those risks.

The most critical risk to the charity is the loss of funding from David Blood, which supports the Charity's objectives. If David Blood is unable or unwilling to provide funding, this will restrict the Foundation's ability to grow further or mean that grants and research activities may need to be scaled back. However, the trustees consider this risk unlikely.

Financial review – Results for the year and reserves

The charity had donation income of £2,822,172 (2021: £2,175,825) from Trustee David Blood (including Gift Aid) and expenditure of £392,004 (2021: £329,750) in conservation grants and £2,319,163 (2021: £1,564,793) in storytelling, impact analysis, marketing, and operational expenses. The charity's reserves were in surplus by £1,178,268 as at 31 December 2022 (2021: £1,066,033).

As outlined above, the charity owns 100% of OTE Productions Ltd, OTEP Ltd and OTEP 2 Ltd. These subsidiary companies are in start-up mode whilst they develop digital content using EDGE species as our ambassadors. In the future, alongside the social impact of these activities, it is intended that the subsidiaries will generate an ongoing revenue stream that can be passed to the charity to fund conservation activity.

For the year ended 31 December 2022, the group had a surplus of £205,560 (2021 surplus £192,442).

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on the charity's activities. The charity currently does not actively fundraise and therefore the trustees do not consider it necessary at this point to have a formal fundraising policy in place. There have been no complaints with regard to fundraising in the year.

Reserves policy

The trustees aim to maintain free reserves at a level which equates to approximately one year of fixed charitable costs (e.g salaries, compliance and occupancy costs etc.). The trustees consider that this reserve level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The trustees consider that this is sufficient given the philanthropic commitment of David Blood to provide annual funding to On the Edge Conservation. The Trustees are satisfied that this commitment will allow the charity and subsidiaries to develop as intended over the next year.

At the year end the charity held free reserves of £1,055,638 (2021 £1,037,667).

Statement of trustees' responsibilities

The trustees (who are also directors of On The Edge Conservation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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Trustees' Annual Report

For the year ended 31 December 2022

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

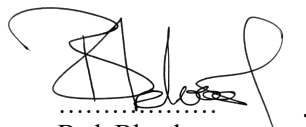
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006. This report was approved and authorised for issue by the Trustees on **20 June 2023** and signed on their behalf by:



Beth Blood
Chair of Trustees

On The Edge Conservation

Independent auditor's report to the members

For the year ended 31 December 2022

Opinion

We have audited the financial statements of On The Edge Conservation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, charity statement of financial activities, balances sheets, consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2022 and of the parent charitable company and group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

On The Edge Conservation

Independent auditor's report to the members

For the year ended 31 December 2022

We have nothing to report in this regard.

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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5 and 6, the trustees (who are also the directors of the parent 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

On The Edge Conservation

Independent auditor's report to the members

For the year ended 31 December 2022

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.


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Independent auditor's report to the members

For the year ended 31 December 2022

Use of our report

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

DocuSigned by:

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Jamie Cassell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Date 3 July 2023

Chartered Accountants
71 Queen Victoria Street
London
EC4V 4BE

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

On The Edge Conservation

Consolidated Statement of Financial Activities

For the year ended 31 December 2022

		31 December 2022 Unrestricted funds	31 December 2022 Total	31 December 2021 Total
	Note			
Income:				
Donations		2,822,172	2,822,172	2,175,825
Other income		1,282	1,282	-
Total income		2,823,454	2,823,454	2,175,825
Charitable expenditure:	2			
Conservation and Science		392,004	392,004	554,060
Marketing and Storytelling		2,259,259	2,259,259	1,363,215
Impact Measurement		159,076	159,076	194,212
Total expenditure		2,810,339	2,810,339	2,111,486
Net income/(expenditure) before tax		13,115	13,115	64,339
Tax credit	6	-	-	72,260
Net income/(expenditure)		13,115	13,115	136,599
Net movement in funds		13,115	13,115	136,599
Reconciliation of funds:				
Total funds brought forward		192,442	192,442	55,843
Total funds carried forward		205,557	205,557	192,442

On The Edge Conservation

Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 December 2022

		31 December 2022 Unrestricted funds	31 December 2022 Total	31 December 2021 Total
	Note			
Income:				
Donations		2,822,172	2,822,172	2,175,825
Other income		1,229	1,229	-
Total income		<u>2,823,401</u>	<u>2,823,401</u>	<u>2,175,825</u>
Charitable expenditure:	2			
Conservation and Science		427,004	427,004	551,958
Marketing and Storytelling		2,125,087	2,125,087	1,129,181
Impact Measurement		159,076	159,076	213,404
Total expenditure		<u>2,711,167</u>	<u>2,711,167</u>	<u>1,894,543</u>
Loss on Investment	7	-	-	(160,000)
Net income/(expenditure)		<u>112,235</u>	<u>112,235</u>	<u>121,282</u>
Net movement in funds		<u>112,235</u>	<u>112,235</u>	<u>121,282</u>
Reconciliation of funds:				
Total funds brought forward		1,066,033	1,066,033	944,751
Total funds carried forward		<u>1,178,268</u>	<u>1,178,268</u>	<u>1,066,033</u>

All income and expenditure derive from continuing activities.

On The Edge Conservation

Balance Sheets

As at 31 December 2022

		31 December 2022		31 December 2021	
	Note	Group £	Charity £	Group £	Charity £
Fixed assets					
Fixed Assets	5	122,629	122,629	28,365	28,365
Investments	7	-	1	-	1
		122,629	122,630	28,365	28,366
Current assets					
Trade and other receivables	8	125,178	186,007	184,205	185,162
Cash at bank and in hand		1,184,863	1,172,924	919,867	918,492
		1,310,042	1,358,931	1,104,072	1,103,654
Current Liabilities					
Trade and other payables	9	(1,227,113)	(303,293)	(939,995)	(65,987)
Net current assets		82,928	1,055,638	164,077	1,037,667
Net assets		205,557	1,178,268	192,442	1,066,033
Charity Funds					
Unrestricted funds		205,557	1,178,268	192,442	1,066,033
Total funds surplus		205,557	1,178,268	192,442	1,066,033

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Trustees on **20 June** 2023.

Signed on behalf of the board of trustees



Beth Blood
Trustee

The notes on pages 15 to 23 form part of these financial statements.

Company registration number: 09646831

On The Edge Conservation

Consolidated Cash Flow Statement

As at 31 December 2022

	31 December 2022	31 December 2021
Cash flows from operating activities:		
Net income/(expenditure) for the reporting period	13,115	136,599
Depreciation and amortisation	26,768	36,509
Impairment of intangible asset	-	263,631
Loss on disposal of PPE	9,926	-
(Increase)/decrease in debtors	59,027	12,146
Increase/(decrease) in creditors	287,115	(4,516)
Net cash provided by/(used in) operating activities	395,953	444,369
Cash flow from investing activities:		
Purchase of office equipment/computers	(130,958)	(6,088)
Purchase of intangible asset	-	(84,150)
	(130,958)	(90,238)
Change in cash and cash equivalents in the reporting period	264,995	354,131
Cash at bank and in hand at the beginning of the reporting period	919,867	565,736
Cash at bank and in hand at the end of the reporting period	1,184,863	919,867

Analysis of changes in net debt:

	At Start of the period	Cash inflows	At end of the period
Cash	919,867	264,995	1,184,863
Total	919,867	264,995	1,184,863

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

1 Summary of significant accounting policies

(a) General information and basis of preparation

On The Edge Conservation is a charitable company registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. Total of such guarantees at 31 December 2022 was £3 (2021: £3). The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as set out on page 3.

In the prior period, the trustees elected to change the financial year-end to a calendar year (1 January to 31 December) to align with production planning. These financial statements are the first to be prepared as a 12-month period. The comparative is a 9-month period to 31 December 2021.

The charity constitutes a public benefit entity as defined by FRS 102. The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

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), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. David and Beth Blood have made a philanthropic commitment to providing funding for On the Edge Conservation. This commitment has not changed in light of Covid-19 and the global economic uncertainty. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The consolidated financial statements include the financial statements of all subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain economic benefits from its activities. All intercompany balances and transactions have been eliminated in full.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Currently the charity only has unrestricted funds.

(c) Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

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Notes to the Financial Statements

For the year ended 31 December 2022

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

(d) Expenditure recognition

All expenditure is accounted for on an accrual's basis. All costs can be directly attributed to an expense category. Irrecoverable VAT is charged as to the relevant expense as incurred.

(e) Critical Estimates and Judgements

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

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

The Trustees consider the most significant judgement in the accounts to be the estimated useful life of the fixed and intangible assets.

Following the launch of the two mobile games, the trustees were advised that revenue streams from the games would take more time and investment in the game play. Therefore, the trustees resolved to impair the intangible game assets at 31 December 2021.

(f) Employee benefits

(i) Short term benefits

Short term benefits, including private medical insurance are recognised as an expense in the period in which the service is received.

(ii) Pension schemes

The contributions to defined contribution plans are recognised as an expense when they are due.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by charity, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer of voluntary redundancy.

(g) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

effective interest method. The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

(h) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, over the following periods.

Plant and machinery	5 years
Fixtures, fittings and equipment	5 years
Computer equipment	3 years
Leasehold improvements	Over life of lease

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

(i) Investments

The investment in the subsidiary undertaking is shown at cost on the charity balance sheet.

The charity also invests in a mixed motive investment via the subsidiary undertaking meaning assets that both further the charity's objects and generate a financial return. Following the impairment of the mobile games in 2022, the trustees also decided to impair the loan as likelihood of repayment was remote.

(j) Tax

The tax credit represents the sum of the tax currently receivable.

The tax currently recoverable is based on relievable losses arising in the year as a result of film tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying film development expenditure and exclude items of income or expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The company's tax position is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

As a registered charity income derived from wholly charitable activities is exempt from corporation tax.

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

2. Expenditure on Charitable activities

Group:

	Total 31 Dec 22	Activities undertaken Directly	Grant funding of activities	Governance	Support costs	Total 31 Dec 21
Conservation and Science	392,004	-	392,004	-	-	554,060
Marketing and Storytelling	2,259,259	1,995,648	-	54,269	209,342	1,363,215
Impact Measurement	159,076	140,515	-	3,821	14,740	194,212
	2,810,339	2,136,163	392,004	58,091	224,082	2,111,486

Charity:

	Total 31 Dec 22	Activities undertaken Directly	Grant funding of activities	Governance	Support costs	Total 31 Dec 21
Conservation and Science	427,004	30,916	392,004	841	3,243	551,958
Marketing and Storytelling	2,125,087	1,877,131	-	51,046	196,910	1,129,181
Impact Measurement	159,076	140,515	-	3,821	14,740	213,404
	2,711,167	2,048,562	392,004	55,708	214,893	1,894,543

3 Auditors remuneration

	31 December 2022		31 December 2021	
	Group	Charity	Group	Charity
Audit of financial statements	22,250	22,250	19,200	19,200
Tax advisory services	2,080	-	10,250	-
Other non-audit services	1,900	1,900	700	-
Total	26,230	24,150	30,150	19,200

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

4 Employees

	31 December 2022		31 December 2021	
	Group	Charity	Group	Charity
Wages and salaries	727,688	727,688	484,282	427,544
Redundancy	24,394	24,394	18,750	-
Social security costs	89,704	89,704	59,291	49,856
Pension contributions	109,284	109,284	72,630	64,192
Medical Insurance	13,016	13,016	7,810	7,324
Other HR costs	37,384	36,884	62,617	62,240
Staff costs	1,001,471	1,000,971	705,380	611,156

The number of persons employed by the group during the period is 12 (2021: 11). One employee earned between £60,000 and £ 69,999 (2021: 0). Two employees, earned between £70,000 and £79,999 in the period (2021: 2). One employee earned between £80,000 and £89,999 (2021: 0) and one employee earned between £100,000 and £109,999 (2021: 0). The key management personnel is the Chief Scientist, together with the Trustees. Key management personnel received benefits totalling £119,792 including employer pension contributions (2021: £83,853).

The Trustees were not paid nor received any other benefits from the charity or its subsidiary companies in the year (2021: £nil). They were not reimbursed for any expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

5 Property, Plant & Equipment

	Fixtures, fittings and equipment	Group Leasehold improvements	Total
Cost			
At 1 January 2022	49,267	-	49,267
Additions	28,344	102,613	130,958
Disposals	(22,889)	-	(22,889)
At 31 December 2022	54,722	102,613	157,336
Depreciation			
At 1 January 2022	20,902	-	20,902
Charges for the period	16,407	10,866	27,273
Charges eliminated on disposal	(13,469)	-	(13,469)
At 31 December 2022	23,840	10,866	34,707
Net book value			
At 31 December 2021	28,365	-	28,365
At 31 December 2022	30,882	91,747	122,629

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

	Fixtures, fittings and equipment	Charity Leasehold improvements	Total
Cost			
At 1 January 2022	48,267	-	48,267
Additions	28,344	102,613	130,958
Disposals	(22,889)	-	(22,889)
At 31 December 2022	53,722	102,613	156,336
Depreciation			
At 1 January 2022	19,902	-	19,902
Charges for the period	16,407	10,866	27,273
Charges eliminated on disposal	(13,469)	-	(13,469)
At 31 December 2022	22,840	10,866	33,707
Net book value			
At 31 December 2021	28,365	-	28,365
At 31 December 2022	30,882	91,747	122,629

Financial Commitments

On the 26 March 2021, On the Edge Conservation signed a services agreement with Conservation Science Partners to develop an AI-based sentiment tracker capable of monitoring sentiment toward species, ecosystems, and the people that secure them. This is a two-year contract with a value of USD 247,250 is due to complete on 30 June 2023. Technical manuals and manuscripts have been provided to On the Edge and the data and code now housed by On the Edge.

6 Taxation

The tax credit received in the prior period relates to a creative industries film tax credit due to OTEP 2 Ltd. No such tax relief was claimed during the current period.

7 Investments

Investments at fair value compromise:

	Shares	Mixed motive investment	Total
Cost or valuation			
At 31 December 2021	1	160,000	160,001
Additions	-	-	-
	1	160,000	160,001
Provisions and impairments			
Impairment brought forward	-	160,000	160,000
Impairment charge	-	-	-
Impairment carried forward	-	160,000	160,000
At 31 December 2022	1	-	1

The mixed motive investment funded the development of the initial mobile gaming app Kakapo Run. As detailed at Note 6, Kakapo Run has been fully impaired whilst further work is conducted to commercialise the game. When impairing the game, the trustees also resolved to impair the mixed motive investment.

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

Subsidiary undertakings

The following were subsidiary undertakings of the charity:

Name	Company Registration No.	Class of Shares	Holding
OTE Productions Ltd (formally On The Edge Productions Ltd)	09660075	Ordinary	100%
OTEP Ltd	09714151	Wholly owned subsidiary of OTE Productions Ltd	
OTEP 2 Ltd	12736225	Wholly owned subsidiary of OTE Productions Ltd	

All entities in the group are located at registered office 25 Ives Street, Chelsea SW3 2ND.

The aggregate of the share capital and reserves as at 31 December 2022 and of the profit or loss for the period then ended on that date for the subsidiary undertakings were as follows:

	OTE Productions Ltd	OTEP 2 Ltd	OTEP Ltd
Income	105,000	-	18
Cost of sales	(119,100)	(35,216)	-
Administrative expenses	(39,162)	(3,380)	(7,313)
Net profit/(loss)	(53,262)	(38,596)	7,295
Total assets as at 31 Dec 22	104,404	187,741	7,296
Total liabilities as at 31 Dec 22	(462,160)	(904,092)	1
Net assets held as at 31 Dec 22	(357,757)	(716,351)	7,297

8 Trade and other receivables

	31 December 2022		31 December 2021	
	Group	Charity	Group	Charity
Trade debtors	3,151	3,151	-	-
Other debtors	97,242	11,344	149,041	610
Amounts owed by associated undertakings	-	148,777	-	150,000
Deposits	14,431	14,431	20,000	20,000
Prepayments	10,354	8,304	15,164	14,552
	125,178	186,007	184,205	185,162

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

9 Trade and other payables

	31 December 2022		31 December 2021	
	Group	Charity	Group	Charity
Accruals	30,168	127,280	30,150	18,500
Accounts payable	196,238	173,405	47,748	47,487
Directors loan account	898,097	-	862,097	-
Other creditors	2,610	2,608	-	-
	1,227,113	303,293	939,995	65,987

10 Operating lease commitments

	Land and Buildings			
	31 December 2022		31 December 2021	
	Group	Charity	Group	Charity
Operating leases which expire:				
Within one year	57,723	57,723	26,666	26,666
Within two to five years	134,495	134,495	-	-
	192,218	192,218	26,666	26,666

Lease expenditure of £62,820 (2021: £40,000) is included in support costs in note 2.

11 Analysis of net assets between funds

	31 December 2022	31 December 2022	31 December 2021
Group:	Unrestricted funds	Total	Total
Fixed assets	122,629	122,629	28,365
Cash	1,184,863	1,184,863	919,867
Debtors	125,178	125,178	184,205
Other current liabilities	(1,227,110)	(1,227,113)	(939,995)
Total	205,560	205,557	192,442
Charity:			
Fixed assets	122,629	122,629	28,365
Investments	1	1	1
Cash	1,172,924	1,172,924	918,492
Debtors	186,007	186,007	185,162
Other current liabilities	(303,293)	(303,293)	(65,987)
Total	1,178,267	1,178,267	1,066,033

On The Edge Conservation

Notes to the Financial Statements

For the year ended 31 December 2022

12 Related party transactions

Trustee David Blood made donations to On the Edge Conservation totalling £2,257,500 (2021: £1,740,681). As noted above (note 4) none of the Trustees in On the Edge Conservation had expenses reimbursed in the period.

At year-end, the charity does not have any amount owing to subsidiary companies (2021: £nil). The charity had intracompany transactions during the year with OTE Production Ltd (formally On The Edge Productions Ltd). At year end, OTE Productions Ltd owed the charity £148,776 (2021: £150,000). This will be repaid once the film tax credit is reimbursed by HMRC. During the prior year a bad debt provision was made against the intercompany of £108,700.

During the course of the year Beth and David Blood, who are also trustees of the charity, loaned £36,000 (2021: £7,680) to OTEP Ltd. OTEP Ltd owed £898,097 (2021: £862,097) to the directors at year end as reflected in note 9.

Towards the end of the year, the Charity paid £22,419 (2021: £nil) to Jonathan Baillie, who is also a director of OTE Productions Ltd, in respect of consultancy services provided to the Charity.

The Charity made payments of £5,000 (2021: £nil) in respect of conference costs to Bright Tide Limited which shares a director with OTE Productions Ltd.

On 28 March 2017, Friends of On the Edge Foundation was established as a not-for-profit entity incorporated in Delaware USA. The Charity is connected to On the Edge Conservation by virtue of having representation on its Board of Directors. During the year, the following served as members of the Board of Friends of On the Edge Foundation: David Blood, Barry Zubrow and Richard Sabo.