

The Sloth Conservation Foundation
Unaudited Financial Statements
31 March 2023

ALEXANDER BURSK LIMITED

Accountants
Parkgates
Bury New Road
Prestwich
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The Sloth Conservation Foundation

Financial Statements

Year ended 31 March 2023

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	14
Statement of financial activities	15
Statement of financial position	16
Statement of cash flows	17
Notes to the financial statements	18
The following pages do not form part of the financial statements	
Detailed statement of financial activities	34
Notes to the detailed statement of financial activities	37

The Sloth Conservation Foundation

Trustees' Annual Report

Year ended 31 March 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name The Sloth Conservation Foundation

Charity registration number 1170992

Principal office Bank Vale Barn
Bank Vale Road
Hayfield
High Peak
SK22 2EZ
England

The trustees

Suzanne Eszterhas
Charlie Amesbury
Nichola Shaw

Accountants

Accountants
Parkgates
Bury New Road
Prestwich
Manchester
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The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Structure, governance and management

Governing document

The governing document is The Sloth Conservation Foundation CIO (Charitable Incorporated Organisation) Constitution (Foundation Structure) whose only voting members are its Trustees. This was adopted on 20th June 2016 and became recognised by the Charity Commission when the Charitable Incorporated Organisation was registered on 5th January 2017.

Appointment of Trustees

The governing documents define the ongoing arrangements for Trustees to run The Sloth Conservation Foundation CIO. There can be a minimum of 3 and maximum of 12 charity Trustees, all serving for a minimum of three years. The Trustees have the power to elect new Trustees with regard to the skills, knowledge and experience needed for the effective administration of the CIO. The appointment of new Trustees, as well as major decisions about the CIO's activities, are all decided at a meeting of the charity Trustees or by resolution in writing or electronic form agreed by all the charity Trustees. This may comprise either a single document or several documents containing the text of the resolution in like form to each of which one or more charity Trustees has signified their agreement.

All Trustees were briefed on the role of Trustees of The Sloth Conservation Foundation CIO, given copies of the governing documents, and referred to the detail on the Charity Commission website related to becoming a trustee and to the guidance on public benefit. New trustees undergo an orientation day to brief them on: their legal obligations under charity law, the Charity Commission guidance on public benefit, and inform them of the decision-making processes, the business plan and recent financial performance of the charity.

Organisation

The Trustees work entirely on a voluntary basis and hold regular quarterly meetings during the year to make decisions and review SloCo's progress. The Trustees set the overall strategy for the charity, and work with the Executive Director to develop policies and monitor business activities. The Executive Director is responsible for the day-to-day running of the charity.

At the end of the report period, the charity had 2 full-time employees and 10 contracted workers, all based in Costa Rica. SloCo is committed to paying staff fairly and in a way that reflects the skills and experience needed to deliver the charities objectives, and as such, salaries for local staff were increased this year in accordance with the increase in the cost of living. Pay bands and salaries are continually reviewed against a number of other charities.

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Objectives and activities

Objectives

The objectives of The Sloth Conservation Foundation are:

- (a) To promote, for the benefit of the public, the conservation of all sloth species through the protection and improvement of the physical and natural environment.
- (b) To advance the education of the public, through the implementation of local and international education programmes, in the conservation of sloths and the protection and improvement of the rainforest environment that the sloths require.

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Objectives and activities *(continued)*

Activities

The period of this report constitutes SloCo's sixth operational year, and as we look back, we are filled with a sense of pride and appreciation for everything that we have achieved together throughout the last 6 years. Reflecting on the journey we have taken, it's clear that this year has been a pivotal one.

In the past, we have witnessed how sloths are suffering on such a massive scale, and this led us to attempt to tackle all the challenges simultaneously. While our intentions were good, this approach stretched our resources thin and, at times, overwhelmed our capabilities. Our experience over the last seven years has been a journey of learning and growth. It has taught us the invaluable lesson embodied in the saying, "jack of all trades, master of none." Recognizing this, we have taken a more focused and evidence-based approach to our work.

This was the year we honed our efforts on the most impactful solutions, guided by the wealth of evidence we've gathered. This strategic pivot has enabled us to deepen our impact in several key areas:

- Expanding our Connected Gardens Network: This initiative has become a cornerstone of our habitat restoration efforts, creating safe passageways, and increasing available habitat for sloths in fragmented landscapes.
- Analysing the Urban Sloth Project Data: Our ongoing project has amassed an incredible amount of data. This year, we've begun to sift through this information, glean insights that will shape future conservation strategies and urban planning.
- Launching the Great Sloth Census: A monumental effort that marks the first significant step towards understanding the population dynamics and threats facing sloths on a comprehensive scale.

These focused projects have been bolstered by forming new collaborations, welcoming fresh faces to our team while bidding farewell to some cherished members. Change, though sometimes bittersweet, has brought new energy and perspectives to our mission.

More sloths than ever before are safe and thriving, thanks to the tireless work of our team and the incredible support from our community of sloth lovers and advocates. Our network has not only grown in numbers but in strength and commitment, providing a solid foundation of support that has been instrumental throughout the year. The achievements highlighted in this report reflect the collective impact that we have all made together over the last year. It is a testament to the hard work and commitment of our team, volunteers, partners, and supporters.

As in previous years, the primary methods of fundraising were through the sale of symbolic sloth adoptions, merchandise, and individual donations. The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when making decisions during the report period.

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Objectives and activities *(continued)*

Contribution made by volunteers

During the report period, the activities of the organisation were carried out by a mixture of volunteers, contracted employees, and hired professional services. A total of 16 volunteers donated their time to assist in the physical completion of tasks on a day-to-day basis in Costa Rica, the United States, and the United Kingdom. Volunteer work included planting trees, coordinating community events, tracking sloths post-release, collecting observational data on sloth behaviour, reviewing camera trap footage, analysing scientific data, creating online content, copywriting, marketing, accounting, and merchandise fulfilment.

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Achievements and performance

Following last year's focus on growing, strengthening, and engaging our global sloth community, this year we were able to see the benefits of our hard work through an increase in reoccurring donation subscriptions and higher donation amounts. Compared to the previous year, website traffic increased from 1.1 million visits to 1.9 million (73% increase). Despite the financial instability and uncertainty generated by the ongoing cost-of-living crisis, we were able to generate a total income of £322,214 to support our conservation projects. This was helped through the formation of new collaborations with international film crews, as well as an overhaul of our corporate partnership program. We also substantially increased our social media following and online community engagement throughout the year, with a total of 200,000 social media followers by the end of the report period.

As a result of all this, we were able to progress our conservation efforts, host the second official International Sloth Festival and launch one of our most important projects to date: the Great Sloth Census. Below is an overview of the primary project work carried out by the charity during the report period, and a summary of the main highlights.

Projects

Loss of habitat through the unsustainable development and urbanisation of the rainforest is the biggest threat to the conservation sloths in Costa Rica. Electrocutions on power lines, attacks from domestic dogs, genetic isolation, road traffic collisions and human exploitation can all be traced back to the encroachment of humans into the sloth's habitat.

Reducing these threats requires long-term, community-based conservation solutions that provide sustainable ways in which humans and sloths can coexist peacefully.

The 'Connected Gardens Project' empowers community members in Costa Rica to ensure that every single property in a given area maintains canopy connectivity with neighbouring properties. This network of 'connected gardens' provides a safe route of passage for sloths and other arboreal animals and increases habitat availability in disturbed areas.

During the report period, 67 key areas for reforestation were identified and property surveys were carried out at each location to determine the most appropriate course of action. 2120 trees (encompassing 70 different species) were grown from seeds in the SloCo forest nursery and planted in these target areas to restore the lost canopy connectivity and provide safe habitat for wildlife.

Sloth Crossing Wildlife Bridges

Without a natural or artificial canopy bridge, the only way for a sloth to move from tree to tree is by crawling on the ground. This takes a lot of time and energy and leaves them very vulnerable to traffic collisions, dog attacks and human disturbance. By installing Sloth Crossing wildlife bridges, SloCo is restoring habitat connectivity and enabling sloths and other arboreal wildlife to safely navigate the places that humans share with them.

During the report period we installed 111 bridges connecting 222 different habitat fragments and utilizing 3378 metres of rope. We were also able to work with the National Electricity Institute (ICE) to install 3 wildlife bridges over the main highway in the region, and another six over power lines in the rapidly developing neighbourhood of Playa Negra. This is actually a much bigger undertaking than it sounds. To install anything over a road in Costa Rica you need legal permission from multiple agencies, including the government and ICE. They have to approve the location and agree that a

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

bridge is necessary.

Our Sloth Crossing Team also travelled to Ojochal and Uvita on the Pacific side of Costa Rica to install some wildlife bridges and managed to put up eight bridges in four days, including one at Parque Nacional Marino Ballena.

After the bridge has been installed, we follow up with property owners and install camera traps in order to determine which species are using the bridges. During the report period we installed 16 camera traps on our wildlife bridges, and this data will be used in the future to form part of a scientific publication into wildlife bridge usage.

Sloth School

The well-being of humans and the natural world is inextricably linked. To ensure that wildlife and healthy ecosystems exist in abundance for future generations, children need to be involved from an early age. SloCo's Education Outreach program engages and empowers children to be stewards of their environment by increasing their understanding of sloths and how to address the threats they face.

We taught 5,900 hours of Sloth School lessons during the report period and reached over 3,100 children this year. Our educational programme is wide, encompassing all ages. Our lessons reach all levels of school and include lectures in public libraries, universities, zoos, and any other institution that request them. The lessons are taught in Spanish, English, and in the indigenous language of Bribri (when possible). Participating countries include primarily Costa Rica, the United States, the United Kingdom, and Canada.

This year we also expanded our current Sloth School education programme by launching the Kukula Club for local children in the South Caribbean (Kukula means 'sloth' in the local indigenous language of Bri Bri). The Kukula Club is a long-term project open to rural, Afro-Caribbean, and indigenous children who have otherwise marginalized opportunities to bring traditional environmental stewardship practices into a modern setting, and who have demonstrated an interest in pursuing careers in environmental science and conservation.

Throughout the report period the Kukula Club enrolled 15 passionate and dedicated local children to participate in fun nature-based activities that they ordinarily might not have the opportunity to do. The small number of children invited to participate in this program reflects the personalized and detailed approach that we want to take with each individual. We are aiming to identify and empower future conservation leaders from within the community, with a progressive series of workshops that will give them the requisite tools and knowledge to do so.

The children were taught how to track sloths with our research team, learned about different species in the rainforest, planted their own trees, took first aid courses, and learned about recycling. They also visited local bee farms, cacao farms, and wildlife rescue centres, and sometimes took a day to go to the beach, which many children's families are often too busy to do despite its close proximity.

A particular highlight was a collaborative workshop with the non-profit organization Girls Who Click. Professional wildlife photographer Diana Caballero spent a week with the children teaching them the art of wildlife photography. Each child received their own camera and were able to take photographs that were printed and displayed in a local gallery.

The Sloth Friendly Network

The Sloth Friendly Network (SFN) is the first sloth accreditation program to help concerned travellers make informed choices by highlighting local businesses that have been doing their utmost to help

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

wildlife in the area. Through the Sloth Friendly Network, we can ensure that every single property in a given area maintains canopy connectivity with neighbouring properties. This network provides a safe route of passage for sloths and other arboreal animals and increases habitat availability in disturbed areas. Property owners benefit through an increased presence of wildlife on their land, which in turn attracts more visitors.

We provide community members with everything that they need to make their business as sloth friendly as possible for free. Through our Connected Gardens project, we provide and plant native trees, build and install Sloth Crossing wildlife bridges, and we provide all educational materials needed to teach guests about the ways they can help to protect sloths. During the report period we were able to accredit the 19 new local businesses in Costa Rica and reached 23,000 tourists through our responsible tourism awareness campaigns.

Saving sloths by helping dogs

Domestic and stray dog attacks are now the second leading cause of death for sloths in Costa Rica. The chances of a sloth encountering a dog are high due to the sheer number of dogs roaming around and the fact that human development is breaking up the sloth's habitat. Incorrect beliefs about the castration and sterilization of animals, coupled with irresponsible ownership and abandonment, has led to a large number of stray and feral dogs roaming the streets.

We work with Puerto Viejo Dogs (a local pet shelter) and Arroyo & Solano vet clinic to spay and neuter at least 10 rescued dogs every month, and during the report period we reached our 550th puppy! That's 550 dogs that get to live healthier, happier lives, and an uncountable number of puppies that won't be homeless, add to the stray dog population, pass on zoonotic diseases, or harass wildlife.

The Urban Sloth Project

It is common in the South Caribbean of Costa Rica to find sloths in the most unexpected places: fences, powerlines, rooftops, cabinets, warehouses, kitchens, and even underneath restaurant tables. Habitat loss is the most obvious reason why sloths are living in these places, but since urban development is not going to stop, it is imperative for us to find new and better ways to coexist with the sloths and wildlife that are living in our spaces. We launched the Urban Sloth Project (USP) in November of 2020 as part of our research efforts to study the impact of habitat disturbance on the lives of the wild sloths. This project aims to compare the behaviour of sloths living in highly urbanized areas with those sloths living in healthier environments (protected primary rainforests). For example, we will be comparing how much time these sloths spend in different behaviours, what tree species they are using for food and shelter, how far they are having to move to find food and how much time they are spending on the ground vs in the canopy.

Over the next 5 years, we will be tracking and monitoring 32 wild sloths as a part of this project, and the results will be used to develop effective conservation strategies that will help humans and sloths to peacefully coexist. For example, we will be able to identify which tree species are most important for sloths living in urban areas, and we can make sure that these species are protected and replenished. We will also be able to identify areas where canopy connectivity needs to be improved to aid sloth dispersal via the installation of wildlife bridges and through targeted reforestation efforts.

During the report period we monitored 16 urban sloths, using 12 different data logging devices. SloCo's research team spent a total of 1,030 hours monitoring urban sloths and collected 2,997 data points. The most exciting development of this project has been the acquisition of new team members and the start of new professional collaborations. This year we welcomed new project manager José Guzman onto the team, under whose leadership the Urban Sloth Project is growing to new and greater heights. We also formed new collaborations with the University of Manchester via PhD student Heather Ewart, and long-time team member Amelia Symeou embarked on her master's

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

degree through Swansea University where she will be analysing all of our sloth data using state-of-the-art supercomputers.

The Great Sloth Census

Sloths are masters of disguise, living high in the canopies of dense tropical rainforests where they blend into the surrounding flora and go undetected by the senses of their predators. Unfortunately, they also go undetected by nearly all traditional methods of data collection, making them difficult for humans to study. As a result, information on the status, abundance, and distribution of sloths is scarce, and for some species, lacking entirely. Although 4 of the 6 extant species are listed as "least concern" on the IUCN Red List, population trends are unknown, data on population sizes and ranges are insufficient, and re-assessment is urgently required.

The government of Costa Rica has recently declared two species of sloths as conservation concerns due to populations being in "reduced and threatened states" (*B. variegatus* and *C. hoffmanni*). They have expressed a need for the status of sloths to be accurately assessed as soon as possible.

To address this lack of data, we have begun to train the first-ever Wildlife Scat Detection Dog for use in sloth conservation. The dog's sense of smell is leading us to the places where sloths bury their scat and allows us to collect samples from every sloth in a given area. We are able to use scat density as a quick and accurate proxy for sloth abundance, and for the first time, we can collect much-needed data on all six sloth species, including monitoring changes in abundance and density as well as mapping geographical distributions of different populations. We will then be able to work in collaboration with the IUCN Specialist Group and other relevant authorities to accurately re-assess the true conservation status of each sloth species.

Further analysis of scat samples in the future can give insight into the physiological and genetic health of sloths and how they are affected by habitat quality. Sloth health and population trends can be monitored over time, allowing the impact of conservation programs to be evaluated, resources to be directed to the most effective strategies, and the most important habitat regions protected. During the report period we began training two potential detection dogs under the professional guidance of Working Dogs for Conservation. We also began training our full-time dog handler, Tamara, in the art of detection dog handling and population surveys. We spent 150 hours training the two dogs, although only one successfully passed the test to become a certified detection dog (welcome to Team Sloth, Keysha!)

This year we also began to test the detectability of sloths using specialized thermal imaging drones in Costa Rica combined with artificial intelligence to automatically identify the thermal fingerprints of sloths. If successful, this method will facilitate the detection of sloths for population monitoring and for the identification of specific individuals for our tracking and research programs. We formed new collaborations with researchers from Liverpool John Moores University and Koala experts from the University of Newcastle in Australia to develop this method which we will be utilizing throughout 2023. We were able to purchase our first thermal imaging drone and SloCo team member Dayber underwent a training course to become a licensed drone pilot in Costa Rica.

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Achievements and performance *(continued)*

Highlights

Future For Nature Award

In February 2022 it was announced that Dr. Rebecca Cliffe (founder and director of SloCo) had been selected as one of the winners of this prestigious award and would receive a 50,000-euro prize which she would be using to further our conservation efforts. In May Rebecca travelled to Amsterdam to receive the award, and she was able to spend a week hanging out with fellow conservationists from around the globe, environmental authorities, and other people fighting for the future of planet Earth. The prize money was used to fund the training for the detection dog for the Great Sloth Census.

Inspiring the next generation

During the report period we are proud to have participated as advisors in the first Thinkaton Monge; a competition organized by one of the most important technology businesses in Costa Rica. The participants were university students who had to solve a given problem with a technological solution. The problem this time was: the lack of data on sloth populations! The winners proposed sloth counting using thermosensitive cameras in drones mixed with a centralized national database.

The 2nd International Sloth Festival

During the report period we were proud to host the second International Sloth Festival on October 20th--International Sloth Day--with fun and educational activities to raise awareness about sloths! Around 300 visitors from countries as far flung as Argentina, Ecuador, Peru, Mexico, the UK, the US, Germany, Italy, and more came to enjoy a day of sloth and conservation-themed booths, shopped at a special handcrafted goods market, got some sloth education, saw a photography exhibition about urban sloths, visited a variety of talks, tracked some real-life urban sloths, walked jungle trails, took home free trees, and even adopted puppies!

We're an association!

Although SloCo received legal status as a foreign organization in 2020, this year we finally got our official papers classifying us as an association in Costa Rica. This legal technicality is important to the government of Costa Rica, and we can now apply for national funds and grants, sell merchandise (and apply the proceeds to the sloths!), and organize fundraisers and tours that can help finance our conservation projects.

Sloths and videogames

This year we were thrilled to launch the 'Slothtober Charity Streams' campaign, which gathered together a community of sloth enthusiasts gamers and streamers. 20 streamers went live, logging 300 hours to help fundraise \$4000 for sloth education and conservation!

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Financial review

During the reporting period, the charity has successfully carried out its operations by raising a total income of £322,214. By comparison, total income for the previous year was £286,186. Restricted funds in the form of grants totalling £47,033.92 were received from the Charities Aid Foundation America. Total expenditure during the report period was £334,900 compared to £276,796 during the previous year.

Reserves policy

The trustees maintain that the charity should carry a general reserve about equal to three months predicted unrestricted fund expenditure to ensure that the launched conservation initiatives are protected against unforeseen shortfalls. Based on expenditure rates during the report period, the general reserves held therefore equated to £55,723, and restricted funds balances to £9,739. The charity has no fund or subsidiary undertaking that is materially in deficit.

Plans for future years.

As we celebrate the achievements and the newfound stability of the previous year, our eyes are set on the horizon with a clear and ambitious vision for the future. Our journey in sloth conservation has only just begun, and the upcoming years promise to be filled with innovative projects, strategic expansions, and impactful initiatives aimed at safeguarding sloths and their habitats. Here's what we have planned:

- Deepening Our Focus on Habitat Connectivity: Building on the success of our Connected Gardens network, we plan to leverage GIS technology to enhance our strategic approach to habitat connectivity. By mapping and modelling crucial networks, we aim to create more impactful and scientifically informed corridors that ensure safe passage and thriving ecosystems for sloths.
- Launching the First Ever Sloth Census Pilot Study in Costa Rica: This ground-breaking study will employ detection dogs and thermal drones to survey 12 unique areas, aiming to map sloth population densities accurately. This ambitious project represents a significant step forward in our understanding of sloth populations and their conservation needs.
- Embracing Citizen Science: We will launch a new project in Costa Rica in collaboration with local partners to crowdsource data about sloth population distributions and occurrences. This initiative will engage the community in our conservation efforts, harnessing the power of collective observation to enhance our understanding of sloth populations and their habitats.
- Expanding and Renovating Our Forest Nursery: To bolster our reforestation efforts, we will renovate and expand our forest nursery. This expansion will include the installation of advanced irrigation and pest control systems, alongside the construction of a seed bank for year-round seed access. These enhancements will significantly increase our capacity for tree production, supporting a more vibrant and biodiverse habitat for sloths.
- Strengthening Our Team: Recognizing the importance of local knowledge and expertise, we plan to recruit an additional staff member in the south Caribbean region. This new team member will play a crucial role in the management and operation of our expanded forest nursery.

As we embark on these exciting initiatives, our commitment to sloth conservation remains steadfast. We believe that through focused efforts, innovative solutions, and the continued support of our community, we can achieve a future where sloths and their habitats are not only protected but

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

flourishing.

Together, we are building a legacy of conservation that will endure for generations to come. We thank you for your unwavering support and look forward to sharing our progress with you in the years ahead. We aim to maintain our financial sustainability to achieve these activities in the coming year through the continued engagement of our donors and online community, and by further updating our online symbolic sloth adoption programme to offer a greater variety of options (including GPS tracking options).

Risk assessment

The Board of Trustees has conducted its own review of the risks to which the Sloth Conservation Foundation is exposed and systems have been established to mitigate these risks.

Access is restricted relating to financial transactions and Management are in close control of day to day operations and report directly to the Board of Trustees

Staff are made fully aware of Health and Safety risks related to living and working in a rain forest environment.

Trustees' responsibilities statement

The trustees 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).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity 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 applicable 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Sloth Conservation Foundation

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

Suzanne Eszterhas
Trustee

The Sloth Conservation Foundation

Independent Examiner's Report to the Trustees of The Sloth Conservation Foundation

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of The Sloth Conservation Foundation ('the charity') for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Barry Fine FCA
Independent Examiner

Parkgates
Bury New Road
Prestwich
Manchester
Lancashire
M25 0JW

5 August 2024

The Sloth Conservation Foundation

Statement of Financial Activities

Year ended 31 March 2023

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	108,692	85,033	193,725	154,264
Other trading activities	5	107,650	—	107,650	131,922
Other income	6	20,839	—	20,839	—
Total income		<u>237,181</u>	<u>85,033</u>	<u>322,214</u>	<u>286,186</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	7	27,108	—	27,108	31,484
Costs of other trading activities	8	53,477	—	53,477	57,303
Expenditure on charitable activities	9,10	167,607	88,483	256,090	188,009
Other expenditure	12	8,225	—	8,225	—
Total expenditure		<u>256,417</u>	<u>88,483</u>	<u>344,900</u>	<u>276,796</u>
Net (expenditure)/income and net movement in funds		<u>(19,236)</u>	<u>(3,450)</u>	<u>(22,686)</u>	<u>9,390</u>
Reconciliation of funds					
Total funds brought forward		74,959	13,189	88,148	78,758
Total funds carried forward		<u>55,723</u>	<u>9,739</u>	<u>65,462</u>	<u>88,148</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 18 to 32 form part of these financial statements.

The Sloth Conservation Foundation

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	17	18,334	15,645
Current assets			
Stocks	18	—	1,309
Debtors	19	120	1,345
Cash at bank and in hand		65,039	80,184
		<u>65,159</u>	<u>82,838</u>
Creditors: amounts falling due within one year	20	18,031	10,335
Net current assets		<u>47,128</u>	<u>72,503</u>
Total assets less current liabilities		<u>65,462</u>	<u>88,148</u>
Net assets		<u>65,462</u>	<u>88,148</u>
Funds of the charity			
Restricted funds		9,739	13,189
Unrestricted funds		<u>55,723</u>	<u>74,959</u>
Total charity funds	22	<u>65,462</u>	<u>88,148</u>

These financial statements were approved by the board of trustees and authorised for issue on 31 July 2023, and are signed on behalf of the board by:

Suzanne Eszterhas
Trustee

The notes on pages 18 to 32 form part of these financial statements.

The Sloth Conservation Foundation

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net (expenditure)/income	(22,686)	9,390
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	14,578	9,594
Accrued expenses	7,500	10,000
Other operating cash flow adjustment	—	1
<i>Changes in:</i>		
Stocks	1,309	(1,309)
Trade and other debtors	1,225	(1,345)
Trade and other creditors	196	(321)
Cash generated from operations	<u>2,122</u>	<u>26,010</u>
Net cash from operating activities	<u>2,122</u>	<u>26,010</u>
Cash flows from investing activities		
Purchase of tangible assets	(17,267)	(13,472)
Net cash used in investing activities	<u>(17,267)</u>	<u>(13,472)</u>
Net (decrease)/increase in cash and cash equivalents	(15,145)	12,538
Cash and cash equivalents at beginning of year	<u>80,184</u>	<u>67,646</u>
Cash and cash equivalents at end of year	<u>65,039</u>	<u>80,184</u>

The notes on pages 18 to 32 form part of these financial statements.

The Sloth Conservation Foundation

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Bank Vale Barn, Bank Vale Road, Hayfield, High Peak, SK22 2EZ, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue. The charity's operating expenses are flexible and project output can be varied depending on the monthly income received. Occasional monthly overspends are always covered by end of year extra fundraising activities. By matching expenditure to income the charity continues to operate through the current inflationary period.

Judgements and key sources of estimation uncertainty

Depreciation charge is an estimation that is material to this year's accounts an additional vehicle was purchased this year and was depreciated 25% straight line in accordance with the charity's policy.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

The charity's capitalisation policy is only to capitalise an item costing over £1,000.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles	- 25% straight line
Equipment	- 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
General	108,692	–	108,692
Connected gardens	–	103	103
Save an acre	–	2,377	2,377
Planting trees	–	4,972	4,972
Sponsor sloth crossing	–	7,643	7,643
Sloth crossing bridges	–	3,166	3,166
Dog sterilisation	–	53	53
Spay and neuter	–	147	147
Giving Tuesday	–	896	896
Join V I P community	–	14,379	14,379
Scientific research	–	1,747	1,747
Education	–	2,136	2,136
Powerline insulation	–	380	380
Grants			
CAF America Grants	–	47,034	47,034
	<u>108,692</u>	<u>85,033</u>	<u>193,725</u>

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
General	110,357	–	110,357
Connected gardens	–	2,812	2,812
Save an acre	–	1,489	1,489
Planting trees	–	1,287	1,287
Sponsor sloth crossing	–	10,071	10,071
Sloth crossing bridges	–	4,385	4,385
Dog sterilisation	–	2,003	2,003
Spay and neuter	–	324	324
Giving Tuesday	–	381	381
Join V I P community	–	5,672	5,672
Scientific research	–	459	459
Education	–	121	121
Powerline insulation	–	827	827
Grants			
CAF America Grants	–	14,076	14,076
	<u>110,357</u>	<u>43,907</u>	<u>154,264</u>

5. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Merchandising	11,704	11,704	25,246	25,246
Adopt a Sloth virtual and physical	95,678	95,678	106,289	106,289
Fundraising events	268	268	387	387
	<u>107,650</u>	<u>107,650</u>	<u>131,922</u>	<u>131,922</u>

6. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other income	<u>20,839</u>	<u>20,839</u>	<u>–</u>	<u>–</u>

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

7. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies				
- Donations	21,734	21,734	31,193	31,193
Sponsorship	5,374	5,374	291	291
	<u>27,108</u>	<u>27,108</u>	<u>31,484</u>	<u>31,484</u>

8. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Merchandising	52,179	52,179	57,177	57,177
Staging events	1,298	1,298	126	126
	<u>53,477</u>	<u>53,477</u>	<u>57,303</u>	<u>57,303</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Connected Gardens	7,766	29,070	36,836
Sloth Crossing	6,404	25,794	32,198
Oh my dog	8,468	200	8,668
Education	25,639	1,866	27,505
Research	75,274	1,500	76,774
Sloth friends	2,933	12,092	15,025
Support costs	41,123	17,961	59,084
	<u>167,607</u>	<u>88,483</u>	<u>256,090</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Connected Gardens	40,602	8,422	49,025
Sloth Crossing	4,540	12,930	17,470
Oh my dog	5,333	2,963	8,298
Education	24,871	2,423	27,294
Research	34,938	4,461	39,400
Sloth friends	269	5,237	5,506
Support costs	36,671	4,349	41,016
	<u>147,224</u>	<u>40,785</u>	<u>188,009</u>

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£
Connected Gardens	36,836	19,107	55,943	59,495
Sloth Crossing	32,198	7,990	40,188	21,852
Bridge building	—	—	—	(1)
Oh my dog	8,668	4,248	12,916	12,772
Education	27,505	4,248	31,753	33,953
Research	76,774	12,128	88,902	48,564
Sloth friends	15,025	3,865	18,890	9,374
Governance costs	—	7,498	7,498	2,000
	<u>197,006</u>	<u>59,084</u>	<u>256,090</u>	<u>188,009</u>

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Analysis of support costs

	Connected gardens £	Sloth crossing £	Oh my dog £	Education £	Research £	Sloth friends £	Total 2023 £	Total 2022 £
Premises	12,327	3,082	1,541	1,541	1,541	1,541	21,573	4,873
General office	662	1,324	662	662	662	662	4,634	2,116
Human resources	1,014	1,972	986	986	986	986	6,930	21,514
Finance costs	553	1,412	553	553	553	553	4,177	908
Governance costs	1,250	1,250	1,250	1,250	1,250	1,250	7,500	2,000
Depreciation	4,551	200	506	506	8,386	123	14,272	9,595
	<u>20,357</u>	<u>9,240</u>	<u>5,498</u>	<u>5,498</u>	<u>13,378</u>	<u>5,115</u>	<u>59,086</u>	<u>41,006</u>

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

12. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Travel	225	225	—	—
Professional fees	8,000	8,000	—	—
	<u>8,225</u>	<u>8,225</u>	<u>—</u>	<u>—</u>

13. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	14,578	9,594
Foreign exchange differences	<u>78</u>	<u>—</u>

14. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,000	2,000
Other financial services	<u>5,500</u>	<u>8,000</u>
	<u>7,500</u>	<u>10,000</u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	36,417	48,697
Employer contributions to pension plans	<u>790</u>	<u>768</u>
	<u>37,207</u>	<u>49,465</u>

The average head count of employees during the year was 2 (2022: 3).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £39,315 (2022: £23,808).

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees

No trustee expenses have been incurred.

17. Tangible fixed assets

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 Apr 2022	32,363	4,509	36,872
Additions	—	17,267	17,267
At 31 Mar 2023	32,363	21,776	54,139
Depreciation			
At 1 Apr 2022	17,586	3,641	21,227
Charge for the year	8,090	6,488	14,578
At 31 Mar 2023	25,676	10,129	35,805
Carrying amount			
At 31 Mar 2023	6,687	11,647	18,334
At 31 Mar 2022	14,777	868	15,645

18. Stocks

	2023 £	2022 £
Finished goods and goods for resale	—	1,309

19. Debtors

	2023 £	2022 £
Other debtors	120	1,345

20. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	17,500	10,000
Social security and other taxes	355	308
Other creditors	176	27
	18,031	10,335

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £790 (2022: £768).

22. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2022	Income	Expenditure	At 31 Mar 2023
	£	£	£	£
General funds	<u>74,959</u>	<u>237,181</u>	<u>(256,417)</u>	<u>55,723</u>

	At 1 Apr 2021	Income	Expenditure	At 31 Mar 2022
	£	£	£	£
General funds	<u>68,691</u>	<u>242,279</u>	<u>(236,011)</u>	<u>74,959</u>

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

22. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2022	Income	Expenditure	At 31 Mar 2023
	£	£	£	£
Caf Grant	7,315	47,034	(58,213)	(3,864)
Connected gardens	–	483	(103)	380
Sloth crossing includes bridges	3,098	10,809	(10,809)	3,098
Oh my Dog	–	200	(200)	–
Education	–	2,136	(2,136)	–
Research	–	1,747	(1,747)	–
Giving Tuesday	–	896	(896)	–
Join V I P	–	14,379	(14,379)	–
Save an acre	1,489	2,377	–	3,866
Planting trees	1,287	4,972	–	6,259
	<u>13,189</u>	<u>85,033</u>	<u>(88,483)</u>	<u>9,739</u>

	At 1 Apr 2021	Income	Expenditure	At 31 Mar 2022
	£	£	£	£
Caf Grant	10,067	14,076	(16,828)	7,315
Connected gardens	–	3,639	(3,639)	–
Sloth crossing includes bridges	–	14,456	(11,358)	3,098
Oh my Dog	–	2,327	(2,327)	–
Education	–	121	(121)	–
Research	–	459	(459)	–
Giving Tuesday	–	381	(381)	–
Join V I P	–	5,672	(5,672)	–
Save an acre	–	1,489	–	1,489
Planting trees	–	1,287	–	1,287
	<u>10,067</u>	<u>43,907</u>	<u>(40,785)</u>	<u>13,189</u>

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

22. Analysis of charitable funds *(continued)*

CAF grant

Grant for specific expenditure in field costs relating to the sloth projects.

Connected Gardens

Funds to be used to ensure that specific areas have a connected canopy

Sloth crossing

To restore canopy connectivity by the use of rope bridges.

Oh my dog

To reduce feral dog population and to train domestic dogs not to attack sloths

Education

Funds lessons in environmental stewardship, mainly to children

Research

Funds various projects to learn more on sloths' types and habitat, and publish data

Save an acre

Aims to purchase rainforest to be able to protect it.

Planting trees

Funds the growing of trees from seedlings. The trees can then be planted in targeted areas to prevent arboreal animals having to travel on the ground.

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	10,393	7,941	18,334
Current assets	63,361	1,798	65,159
Creditors less than 1 year	(18,031)	—	(18,031)
Net assets	55,723	9,739	65,462

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	15,375	270	15,645
Current assets	69,919	12,919	82,838
Creditors less than 1 year	(10,355)	—	(10,355)
Net assets	74,939	13,189	88,128

The Sloth Conservation Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

24. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	<u>80,184</u>	<u>(15,145)</u>	<u>65,039</u>