

Pangea

ANNUAL REPORT 2023
& AUDITED FINANCIAL STATEMENTS





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Annual report and audited financial statements.

The Pangea Trust is registered with the UK Charity Commission (no. 1177137) and Companies House (10893190).

REMARKS FROM THE CHAIR



On behalf of the Board of Trustees, it is my pleasure to present Pangea's annual report for 2023. This has been a year of remarkable progress and transformation, and I am immensely proud of our accomplishments.

As you will read in this report, the acquisition of our 1000-acre site in Portugal in July marked a pivotal milestone that has propelled us into the next phase of development. Our goal is to establish an elephant-ready sanctuary by 2025 and the milestones outlined in our roadmap are challenging but achievable considering the current pace of progress.

Given the significant early-stage investment required for such an ambitious initiative, we are incredibly fortunate to count on the backing of our members and donors. Thanks to them, we have raised the funds to cover the first five years of core operational costs and most of the repayments on the philanthropic loan that catalysed the land purchase. The remaining fundraising target for our first phase of development is indeed stretching, but supporting donors will be confident in both our financial resilience and our ability to deliver against our mission.

Special thanks also go to our advisors, ranging from ecologists and veterinarians to elephant welfare, construction and legal experts who have been so very generous with their time and expertise. We are incredibly grateful for their guidance as well as that of the Portuguese authorities and other leading elephant sanctuaries around the world. The goodwill towards Pangea - and ultimately Europe's elephants - is quite extraordinary.

I hope you enjoy reading about our progress this year and we look forward to moving onto the next chapter together.

A handwritten signature in black ink, reading "Michael Reyner". The signature is fluid and cursive.

Michael Reyner
Chair, Board of Trustees

Elephants are keystone species that help to shape whole ecosystems in their range states in Asia and Africa. Their impact on Europe's plant life is still evident, despite being absent here for millennia.

Elephants are also amongst the most sentient, intelligent and social of all animals, and they lead complex lives in the wild. Sadly, scientific research has proven that elephants are one of the animals least suited to captivity. The extent of their physical and psychological suffering has concerned animal rights groups and the zoo community for decades.

Most EU states have banned the use of wild animals in circuses and public demand to see megafauna in captivity is declining, meaning more zoos are seeking to transition out of elephant-keeping. While large-scale sanctuaries exist in Africa, Asia, and the Americas, Europe only has one small sanctuary which is already at capacity.

Pangea is working to provide a solution to Europe's zoos and circuses seeking a life-long home for elephants in need.



WHO WE ARE

The Pangea Trust is an independent UK-registered charity which is affiliated with non-profits in Portugal and the US.

OUR WORK



A sanctuary for elephants

- Providing a rehoming solution for Europe's circuses and zoos.
- Facilitating government enforcement of animal welfare legislation.
- Giving individual elephants a life worth living.
- Demonstrating the welfare benefits of expansive, natural habitats.



A haven for nature

- Creating a natural life for resident elephants.
- Boosting biodiversity.
- Demonstrating a nature-positive alternative to cattle farming.
- Facilitating scientific study on the impact of megaherbivores on Mediterranean ecology.



A catalyst for change

- Shifting perspectives on elephants.
- Raising awareness of threats to elephants in the wild.
- Inspiring people to care about elephants and the wider natural world.
- Helping NGOs fulfil their missions and help elephants in need.

PROGRESS

Land secured in Portugal after an extensive Europe-wide search.
Acquisition catalysed thanks to a private philanthropic loan.

Studies published on elephant needs in captivity and the ecological impacts of elephants on Mediterranean habitat. Management approach endorsed from 25 leading experts.

In principle support secured from national environmental and wildlife authorities and the local municipalities.

5 years' core operational costs and land loan repayments underwritten by Members.

FUTURE PRIORITIES

- Plan and build the required site infrastructure.
- Secure the funding for the capital expenditure, and licences for operations.
- Collaborate with elephant owners to welcome first elephants.
- Continue to build a credible, visible and well governed organisation.

Straddling the municipalities of Alandroal and Vila Viçosa in Alentejo, Portugal, Pangea's 1000 acre estate is blessed with abundant water and a diverse habitat.

There are several large dams, a spring and stream and a mix of grasslands, wood, and scrubland set across rolling hills. The Mediterranean climate is warm with manageable extreme temperatures, and the estate's location also presents a very low wildfire risk - a critical consideration given the climate challenges of our times.

The areas that have been degraded from cattle grazing and eucalyptus cultivation will be restored to create a haven for both elephants and native wildlife.



PROGRESS IN 2023

Land acquisition complete

The land for Pangea was first identified after a Europe-wide feasibility study and an intensive two-year property search. The land acquisition was finally completed in July. Downpayments were met through member and major donor contributions and the purchase was catalysed with a philanthropic loan. The unlimited pro-bono legal support provided was critical in navigating the unique complexities of the acquisition.

Masterplan in progress

A site development planner was appointed to create the master plan in April. This plan is essential for guiding the early stages of development, ensuring alignment with the long-term vision while remaining flexible to accommodate future elephant needs. The masterplan will also serve as an important tool for licence applications.

Environmental Impact Study underway

The Environmental Impact Study informs the Environmental Impact Assessment which is a mandatory stage of the licensing process. It will help identify and mitigate potential negative impacts of the planned development. Initial surveys were undertaken in the first half of the year, and work will continue following the completion of the masterplan.

Site development taskforce convened

Members of this taskforce include elephant experts, construction experts, ecologists, and veterinarians. This means that all site development is undertaken considering operational, environmental and elephant welfare needs. The first onsite workshops took place in November.

Phase 1 site development defined

The site for the first barn and enclosure, and the initial staff facilities, have been agreed upon and construction plans are currently in development.

Preliminary hydrology study conducted

Optimal water management will lead to better water retention in the soil, reduced erosion, increased biodiversity, and improved water security. A hydrologist undertook initial analysis and provided recommendations for water conservation initiatives for the site taking into consideration factors such as topography, geology, soil, and climate.

Ecological impact report published

Pangea is committed to restoring the ecological integrity of the site for the benefit of both elephants and native wildlife. In February, a report entitled 'Predicting the Ecological Impact of Elephants on an Estate in Eastern Portugal' was produced with the objective of informing Pangea's land management approach and estimating the optimal stocking density of elephants. The study compared the documented impact of cattle to the predicted impact of elephants across a number of variables to conclude that the ecological benefits will outweigh harms. This report will be used to support licence applications to government, planned in 2024.

Government relations strengthened

This year, the public endorsement and cooperation of both municipalities of Alandroal and Vila Viçosa has been instrumental in securing the confidence of the local communities and the support of the national authorities. Special thanks go to ICNF (the Instituto da Conservação da Natureza e das Florestas) for their guidance and advocacy.

Partnership formed with University of Évora

The university closest to Pangea's site is also renowned for its research initiatives focused on sustainability and environmental conservation. In March, a partnership was agreed on the design and implementation of Pangea's ecological monitoring programmes.

Advisory Group expanded and Development Board established

Pangea is fortunate to count world-leading experts as advisors. They have provided invaluable technical and strategic support. A separate Development Board was formed in August 2023 to help guide fundraising. Members are listed at www.pangeatrust.org.

US fundraising channel opened

Thanks to a new partnership with Elephant Family USA, US-based supporters can now donate to Pangea via a 501(c)(3) platform and benefit from the associated tax relief.

New staff appointed

To meet increasing resource needs, a Communications Manager and Operations Manager joined the team.

Policies and governance systems introduced

A suite of new policies and systems have been introduced to provide the necessary foundations for best practice financial and operational governance as the charity enters a new phase of operations.



GOALS & STRATEGIC PRIORITIES FOR 2024-5

1. Establish an elephant-ready sanctuary

- Engage experts in design and land management planning to ensure quality of build, cost efficiencies, and adherence to licensing requirements.
- Build infrastructure for the first group of elephants.
- Initiate the process of nature restoration at the site.

2. Secure agreement for the first group of elephants

- Collaborate with elephant owners, NGOs, and governments in priority countries.

3. Raise funds for construction

- Execute a capital appeal for major financial and in-kind donations.
- Launch a public individual giving campaign.

4. Build a credible, collaborative, well-governed organisation

- Continue to work closely with the technical advisory board and form a development board.
- Build partnerships with government agencies, NGOs, sanctuaries, and local businesses and communities.
- Employ diligent, skilled and passionate on-site staff for elephant care and other operations. Build capacity.



REFERENCE & ADMINISTRATIVE DETAILS

Overview

The official name of the charity is The Pangea Trust but it is also referred to as Pangea, or Pangea Trust within applicable verbal and written contexts.

The Pangea Trust was registered in 2017 with the UK Charity Commission (no. 1177137) and Companies House (10893190). It is a Company limited by guarantee and not having a share capital.

It was incorporated in Portugal under the name of Associação Natureza Pangea in 2022 as a private law association with legal personality and nonprofit applicable Portuguese laws (no. 517038110).

The registered office address is: C/O Godfrey Wilson, 5th Floor, Mariner House, 62 Prince St, Bristol BS1 4QD.

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report, were as follows:

M J Reyner (Chair)
L Jacquet
S Olsen
F Teneau
N. Katugampola (appointed 10 July 2023)
J Olsen (appointed 10 July 2023)
E Olson-Williams (resigned 1 February 2023)

Executive Management

The trustees delegate day-to-day management of the charity to the Managing Director, Kate Moore. She continues to serve in this position at the time of writing this report.

The Chair of the Development Board is Ruth Ganesh.

Organisations Providing Services or Professional Advice

| | |
|-----------------------------|--|
| <i>Bankers</i> | HSBC UK Bank Plc 16 King Street Covent Garden London WC2E 8JF |
| <i>Independent auditors</i> | Godfrey Wilson Limited Chartered accountants 5th Floor, Mariner House, 62 Prince Street, Bristol, BS1 4QD |
| <i>Solicitors</i> | Russell Cooke, 8 Bedford Row, London, WC1R 4BX |

STRUCTURE, GOVERNANCE & MANAGEMENT

Title & Objects

The Pangea Trust is a company Limited by guarantee and not having a share capital. Our guiding document is our Articles of Association, most recently reviewed on 24th February 2022. The objects of the Charity, as laid out in our Articles of Association are, for the public benefit:

- To support and safeguard the wellbeing of elephants and other wild animals in need of care and attention anywhere in the world, and provide sanctuary for the reception, treatment, and care of such animals in Europe;
- To advance the education of the public and other stakeholders as to the needs of elephants and other wild animals, as well as the measures necessary to effectively conserve them in their natural habitat;
- To advocate for practical and institutional reform that results in improved living conditions for, and enhanced humane treatment of, elephants and other wild animals; and
- To protect and restore local biodiversity in all areas of operation, as appropriate.

Governing Body & Structure

Our governing body is a Board of Directors. The Directors are the Trustees of the charity. On 31 December 2023, there were six Trustees. The minimum number of Trustees is three and the maximum number is twelve. The Board meets quarterly.

Decision Making

The Trustees' prime function is to ensure the good governance of the charity and to this end we focus on matters of policy and general strategy, the approval of plans, the monitoring of progress with regard to our charitable objects, fiduciary responsibility, financial controls and investments.

Operational responsibility is delegated to the Managing Director.

The Board receives formal reports in advance of its quarterly meetings. These reports contain details of activities pertaining to the progress of key projects and their timelines, organisational and support function activities, the current position of finances and other related financial matters.

Trustees

When recruiting new trustees, best-practice guidance is followed. New trustees receive a comprehensive and personalised briefing from key members of staff as part of their induction process.

The Charity Governance Code (published 2017 and updated 2020) sets out seven principles of good governance and encourages charities to review their governance structures and processes to ensure they are fit for purpose and operate efficiently. The Trustees have due regard to these principles when conducting their business.

Partners

Thank you to all our partners, as below:.

Members

The Born Free Foundation, Fondation Brigitte Bardot and Olsen Animal Trust are Founding Members. The Born Free Foundation and Olsen Animal Trust are UK-registered charities and Fondation Brigitte Bardot is registered as a non-profit foundation in France.

They are responsible for:

- Providing direction and guidance on strategy and work plans;
- Providing unrestricted funding support; and
- Supporting initial fundraising efforts.

Philanthropic lenders

The philanthropic loan for the purchase of the land acquisition was provided/coordinated by Julia Davies of We have the POWER.

Other partnerships

- The governing municipalities of Vila Do Alandroal and Vila Viçosa Camara Municipal.
- Universidade de Evora: partner on research and monitoring.
- PLMJ Advogados SP RL: pro-bono legal support.
- STRIX: environmental impact assessment and coordination of licences.
- Elephant Family: support on development & fundraising.
- We are Social: pro-bono communications support.

Donors

Thanks go to the following for their donations towards the purchase of the land:

- Lady Annabel Goldsmith.
- Ramani & Ruth Ganesh.
- The Read family.
- David & DJ Walker.
- David & Anna Isserman.

Advisory group

As of 31st December 2023, the Pangea Trust has 15 individuals on its Technical Advisory Group. These individuals are experts in fields relevant to the objects and vision of the charity. All Technical Advisors and Advisors to the Board are listed and kept up to date on the charity's website.

Thanks also to the Global Sanctuary for Elephants, Elephant Haven, Tennessee Elephant Sanctuary and White Oak for their guidance.

FINANCIAL REVIEW

Overview

In the financial year of 2023, unrestricted income from member and other private donations as well as gifts in kind was £1,652,891, increasing from £543,496 in 2022. Restricted donations amounted to £545,327.

Total expenditure increased from £138,990 in 2022 to £279,331, primarily due to the additional resources required to support the land acquisition and site development, linked to our core goal of establishing a sanctuary for elephants and native wildlife.

As a result of land acquisition in 2023, fixed assets of £2,261,098 are now registered in the balance sheet. This purchase was met by funds from Pangea's unrestricted reserves. The purchase was catalysed by the provision of philanthropic loans totalling £1,300,000. Repayments of £700,000 were made in 2023, with remaining payments of £600,000 scheduled in 2024.

Total charity funds excluding fixed assets stood at £639,645 on 31st December 2023, of which £500,000 is restricted. On 31st December 2022, total charity funds were £915,871.

Thanks to the support of the members, Pangea is in a strong financial position, ensuring that loan repayments and operations costs can be met in 2024. In order to meet the strategic objectives for 2024-, as outlined in this report, further funds must be raised to meet the capital costs of phase one of site development.

Future Planning & Risks

The ongoing costs associated with the development of the land in Portugal have been considered and the financial implications of this are reflected within the plans for the next two years. The key risks of (i) underperformance against fundraising targets (ii) potential delays in site development are balanced by retaining only a small permanent team, ensuring flexibility in contracts with suppliers, and quarterly Board budget reviews.

Identifying and securing income streams to enable us to deliver our objects is a challenge within a highly competitive market and we have therefore sought expert advice and are pursuing a diverse range of opportunities. Thanks to our unique mission that addresses a clear need, and an ambitious but achievable strategic plan, we are confident of our ability to raise the necessary funds.

Reserves Policy

The Charity is in a development stage and the Trustees are reviewing the charity's requirements for reserves. This will ensure that the Charity remains financially sound and to maintain this position, the Trustees will continue to review the Charity's financial planning and budgeting procedures.

The Charity aims to hold free reserves that are sufficient to allow it to support working capital requirements, enabling the charity to continue meeting its liabilities as they fall due, even if the cash balances are insufficient; fund unexpected and unavoidable increases in our expenditure; continue with planned activities even if we fail to achieve planned income, recognising the highly volatile and unpredictable nature of our fundraising income stream; fund one-off annual budgeted deficits; continue to support the animals in our care (this does not currently apply for the upcoming financial year but is something we will need to include once we have elephants on site at the land we have purchased in Portugal) and manage an orderly transition to alternative arrangements in the extreme event that the charity ceases to exist or is unable to operate. The current reserve is set at £70,000 to support 3 months of core operational funding and this reserve will be reviewed annually.

Plans for Future Periods

A 5-year business plan and associated budget has been approved by the Trustees, and the corresponding strategic priorities for 2024-5 are outlined earlier in this report. In terms of financial planning, member contributions are allocated to core operations costs and philanthropic loan repayments, meaning that fundraising activities can focus on meeting the shortfall on capital expenditure.

Statement of Responsibility of Trustees

The trustees (who are also directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the income and expenditure of the charity for that period. In preparing those 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;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice 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 operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity and have had due regard to the Charity Commission's guidance on public benefit.

Auditors

Godfrey Wilson Ltd were appointed as the charitable company's auditors during the year and have expressed their willingness to act in that capacity.

Approved by the trustees on 9 July 2024 and signed on their behalf by:



Michael Reyner, Chair - the Pangea Trust

INDEPENDENT AUDITORS' REPORT

To the trustees of

The Pangea Trust

Opinion

We have audited the financial statements of The Pangea Trust (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

INDEPENDENT AUDITORS' REPORT

To the trustees of

The Pangea Trust

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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT

To the trustees of

The Pangea Trust

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the charity's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.

INDEPENDENT AUDITORS' REPORT

To the trustees of

The Pangea Trust

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Godfrey Wilson Limited

Date: 10 July 2024

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The Pangea Trust

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

For the year ended 31 December 2023

| | Note | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|------------------------------------|------|-----------------------|-------------------------|--------------------------------|-----------------------|
| Income from: | | | | | |
| Donations | 3 | 545,327 | 1,107,564 | 1,652,891 | 543,496 |
| Total income | | <u>545,327</u> | <u>1,107,564</u> | <u>1,652,891</u> | <u>543,496</u> |
| Expenditure on: | | | | | |
| Raising funds | | - | 39,744 | 39,744 | 20,912 |
| Charitable activities | | - | 239,588 | 239,588 | 118,078 |
| Total expenditure | 4 | <u>-</u> | <u>279,331</u> | <u>279,331</u> | <u>138,990</u> |
| Net income | | 545,327 | 828,233 | 1,373,560 | 404,506 |
| Transfers between funds | | <u>(45,327)</u> | <u>45,327</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | 5 | 500,000 | 873,560 | 1,373,560 | 404,506 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>-</u> | <u>915,871</u> | <u>915,871</u> | <u>511,365</u> |
| Total funds carried forward | | <u><u>500,000</u></u> | <u><u>1,789,431</u></u> | <u><u>2,289,431</u></u> | <u><u>915,871</u></u> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 12 to the accounts.

The Pangea Trust

BALANCE SHEET

As at 31 December 2023

| | Note | £ | 2023 £ | 2022 £ |
|--|------|------------------|-------------------------|----------------|
| Fixed assets | | | | |
| Tangible assets | 8 | | <u>2,261,098</u> | <u>655,230</u> |
| | | | 2,261,098 | 655,230 |
| Current assets | | | | |
| Debtors | 9 | 2,660 | | 450 |
| Cash at bank and in hand | | <u>636,985</u> | | <u>263,346</u> |
| | | 639,645 | | 263,796 |
| Liabilities | | | | |
| Creditors: amounts falling due within 1 year | 10 | <u>(611,312)</u> | | <u>(3,155)</u> |
| Net current assets | | | <u>28,333</u> | <u>260,641</u> |
| Net assets | | | <u>2,289,431</u> | <u>915,871</u> |
| Funds | | | | |
| Restricted funds | 12 | | 500,000 | - |
| Unrestricted funds | | | | |
| General funds | | | <u>1,789,431</u> | <u>915,871</u> |
| Total charity funds | | | <u>2,289,431</u> | <u>915,871</u> |

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 9 July 2024 and signed on their behalf by



Michael Reyner - Chair

The Pangea Trust

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

| | 2023 £ | 2022 £ |
|---|--------------------|------------------|
| Cash used in operating activities: | | |
| Net movement in funds | 1,373,560 | 404,506 |
| Adjustments for: | | |
| Decrease / (increase) in debtors | (2,210) | 97,224 |
| Increase / (decrease) in creditors | 608,157 | (425) |
| Net cash provided by operating activities | 1,979,507 | 501,305 |
| Cash flows from investing activities: | | |
| Purchase of tangible fixed assets | (1,605,868) | (655,230) |
| Net cash used in investing activities | (1,605,868) | (655,230) |
| Increase / (decrease) in cash and cash equivalents in the year | 373,639 | (153,925) |
| Cash and cash equivalents at the beginning of the year | 263,346 | 417,271 |
| Cash and cash equivalents at the end of the year | 636,985 | 263,346 |

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Pangea Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Accounting policies (continued)

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the proportion of staff time required by each activity, for the current and prior year this allocation is as follows:

| | 2023 | 2022 |
|-----------------------|------|------|
| Raising funds | 25% | 25% |
| Charitable activities | 75% | 75% |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Accounting policies (continued)

i) Tangible fixed assets

Land and buildings are recognised on a cost basis. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|--------------------|----------|
| Freehold buildings | 30 years |
|--------------------|----------|

Items of equipment are capitalised where the purchase price exceeds £1,000.

j) Debtors

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

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors

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

m) Financial instruments

The charitable company 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 recognised at amortised cost using the effective interest method.

n) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Accounting policies (continued)

o) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is depreciation as described in note 1i above.

2. Prior period comparatives: statement of financial activities

| | Restricted £ | Unrestricted £ | 2022 Total £ |
|---|-----------------|-------------------|--------------------|
| Income from: | | | |
| Donations | - | 543,496 | 543,496 |
| Total income | - | 543,496 | 543,496 |
| Expenditure on: | | | |
| Raising funds | - | 20,912 | 20,912 |
| Charitable activities | - | 118,078 | 118,078 |
| Total expenditure | - | 138,990 | 138,990 |
| Net income and net movement in funds | - | 404,506 | 404,506 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. Income from donations

| | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|------------------------------------|-----------------|-------------------|--------------------|--------------------|
| Brigitte Bardot Foundation | - | 394,216 | 394,216 | 202,247 |
| Born Free Foundation | - | 300,000 | 300,000 | 200,000 |
| Olsen Animal Trust | - | 300,000 | 300,000 | 141,249 |
| Major donations | 545,327 | 67,165 | 612,492 | - |
| Individual donations | - | 1,061 | 1,061 | - |
| Gifts in kind* | - | 45,122 | 45,122 | - |
| Total income from donations | 545,327 | 1,107,564 | 1,652,891 | 543,496 |

In prior period all income from donations was unrestricted.

*Gifts in kind recognised in the year relate to donated legal services.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. Total expenditure

| | Raising funds £ | Charitable activities £ | Support and governance £ | 2023 Total £ |
|--|--------------------|-------------------------------|--------------------------------|-----------------|
| Legal and professional fees | - | 111,618 | 55,261 | 166,879 |
| Staff costs (note 6) | 16,636 | 49,908 | 16,637 | 83,181 |
| Travel | - | 11,717 | 177 | 11,894 |
| Accountancy fees | - | - | 11,611 | 11,611 |
| Telephone and internet | - | - | 2,271 | 2,271 |
| Bank charges | - | - | 1,893 | 1,893 |
| Advertising, marketing and fundraising | 1,145 | - | - | 1,145 |
| Printing, postage and stationery | - | 457 | - | 457 |
| Sub-total | 17,781 | 173,700 | 87,850 | 279,331 |
| Allocation of support and governance costs | 21,963 | 65,888 | (87,850) | - |
| Total expenditure | 39,744 | 239,588 | - | 279,331 |

Total governance costs were £8,400 (2022: £3,240)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. Total expenditure (continued)

Prior period comparative

| | Raising funds £ | Charitable activities £ | Support and governance £ | 2022 Total £ |
|--|--------------------|-------------------------------|--------------------------------|-----------------|
| Legal and professional fees | - | 55,670 | 16,295 | 71,965 |
| Staff costs (note 6) | 10,470 | 31,411 | 10,470 | 52,351 |
| Travel | - | 5,114 | - | 5,114 |
| Accountancy fees | - | - | 4,240 | 4,240 |
| Advertising, marketing and fundraising costs | 2,160 | - | - | 2,160 |
| Telephone and internet | - | - | 1,265 | 1,265 |
| Printing, postage and stationery | - | 1,037 | - | 1,037 |
| Small equipment | - | - | 660 | 660 |
| Bank charges | - | - | 198 | 198 |
| Sub-total | 12,630 | 93,232 | 33,128 | 138,990 |
| Allocation of support and governance costs | 8,282 | 24,846 | (33,128) | - |
| Total expenditure | 20,912 | 118,078 | - | 138,990 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

5. Net movement in funds

This is stated after charging:

| | 2023 £ | 2022 £ |
|--|--------------|--------------|
| Trustees' remuneration | Nil | Nil |
| Trustees' reimbursed expenses | Nil | Nil |
| Independent auditor's / examiner's remuneration: | | |
| ▪ Independent examination (excluding VAT) | - | 2,700 |
| ▪ Audit fee (excluding VAT) | 7,000 | - |
| ▪ Other services (excluding VAT) | 1,506 | 1,000 |
| | <u>1,506</u> | <u>1,000</u> |

6. Staff costs and numbers

Staff costs were as follows:

| | 2023 £ | 2022 £ |
|-----------------------|---------------|---------------|
| Salaries and wages | 78,750 | 51,000 |
| Social security costs | 3,617 | 1,351 |
| Pension costs | 814 | - |
| | <u>83,181</u> | <u>52,351</u> |

One employee earned between £70,000 and £80,000 in the current year (2022: no employees earned more than £60,000).

The key management personnel of the charitable company comprises the trustees and the managing director. The total employee benefits of the key management personnel were £79,065 (2022: £52,352).

| | 2023 No. | 2022 No. |
|--------------------|-------------|-------------|
| Average head count | <u>1.50</u> | <u>1.00</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

7. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

| | Land and buildings £ |
|----------------------------|-------------------------|
| Cost | |
| At 1 January 2023 | 655,230 |
| Additions in year | <u>1,605,868</u> |
| At 31 December 2023 | <u>2,261,098</u> |
| Depreciation | |
| At 1 January 2023 | - |
| Charge for the year | <u>-</u> |
| At 31 December 2023 | <u>-</u> |
| Net book value | |
| At 31 December 2023 | <u><u>2,261,098</u></u> |
| At 31 December 2022 | <u><u>655,230</u></u> |

Additions in the year relate to further payments made in purchasing land and buildings. The sale completed in 2023 however there is still an outstanding payment due in 2024 as detailed in note 14. All additions are deemed to be land.

9. Debtors

| | 2023 £ | 2022 £ |
|---------------|---------------------|-------------------|
| Other debtors | <u><u>2,660</u></u> | <u><u>450</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

10. Creditors : amounts due within 1 year

| | 2023 | 2022 |
|------------------------|----------------|--------------|
| | £ | £ |
| Loans payable < 1 year | 600,000 | - |
| Accruals | 9,840 | 2,940 |
| Trade creditors | 1,421 | - |
| Other creditors | 51 | 215 |
| | 611,312 | 3,155 |

11. Analysis of net assets between funds

| | Restricted funds | General funds | Total funds |
|---------------------------------------|------------------|------------------|------------------|
| | £ | £ | £ |
| Tangible fixed assets | - | 2,261,098 | 2,261,098 |
| Current assets | 500,000 | 139,645 | 639,645 |
| Current liabilities | - | (611,312) | (611,312) |
| Net assets at 31 December 2023 | 500,000 | 1,789,431 | 2,289,431 |
| Prior period comparative | | | |
| | Restricted funds | General funds | Total funds |
| | £ | £ | £ |
| Tangible fixed assets | - | 655,230 | 655,230 |
| Current assets | - | 263,796 | 263,796 |
| Current liabilities | - | (3,155) | (3,155) |
| Net assets at 31 December 2022 | - | 915,871 | 915,871 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

12. Movements in funds

| | At 1 January 2023 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 December 2023 £ |
|---------------------------------|------------------------------|-------------|------------------|------------------------------------|--------------------------------|
| Restricted funds | | | | | |
| Elephant facilities | - | 500,000 | - | - | 500,000 |
| Land purchase | - | 45,327 | - | (45,327) | - |
| Total restricted funds | - | 545,327 | - | (45,327) | 500,000 |
| Unrestricted funds | | | | | |
| General funds | 915,871 | 1,107,564 | (279,331) | 45,327 | 1,789,431 |
| Total unrestricted funds | 915,871 | 1,107,564 | (279,331) | 45,327 | 1,789,431 |
| Total funds | 915,871 | 1,652,891 | (279,331) | - | 2,289,431 |

Purposes of restricted funds

Elephant facilities

Funds for the construction of elephant facilities.

Land purchase

Funds for the loan repayment of the land purchase.

Transfers

The transfer to unrestricted general funds relates to the land purchase completed in July 2023. The land is not a restricted asset, so is held within general funds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

12. Movements in funds (continued)

Prior period comparative

| | At 1 January 2022 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 December 2022 £ |
|---------------------------------|------------------------------|----------------|------------------|------------------------------------|--------------------------------|
| Unrestricted funds | | | | | |
| General funds | 511,365 | 543,496 | (138,990) | - | 915,871 |
| Total unrestricted funds | <u>511,365</u> | <u>543,496</u> | <u>(138,990)</u> | <u>-</u> | <u>915,871</u> |
| Total funds | <u>511,365</u> | <u>543,496</u> | <u>(138,990)</u> | <u>-</u> | <u>915,871</u> |

13. Related party transactions

S Olsen and J Olsen are trustees of Olsen Animal Trust, who donated £300,000 in 2023 (2022: £141,249). M Reyner, N Katugampola and E Olson-Williams are trustees of the Born Free Foundation who donated £300,000 in 2023 (2022: £200,000). L Jacquet is a trustee of Foundation Brigitte Bardot, who donated £394,216 in 2023 (2022: £202,247). There were no other related party transactions during the current or prior years.

14. Capital commitments

At 31 December 2023 The Pangea Trust had committed to make the final payment in relation to the purchase of land and buildings located in São Brás dos Matos (Mina do Bugalho), Portugal. Competition of the land purchase occurred in 2023 with a balance held in tangible fixed assets of £2,261,098. The total purchase price outstanding in GBP at the year end conversion rate is £21,693. This amount is due to be paid in 2024.